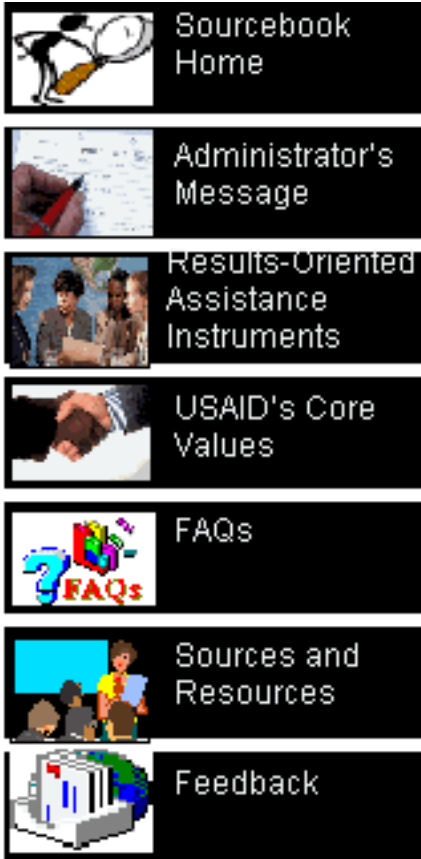




# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK

## Welcome



This Sourcebook is a new type of electronic resource to assist in the design, award, and administration of results-oriented grants and cooperative agreements to implement foreign assistance activities.

Background: In June 1997, the Advisory Committee on Voluntary Foreign Aid recommended that USAID "develop and disseminate models and train USAID, PVO and NGO staff on the use of performance based," (results-oriented) assistance instruments. In response, the USAID Office of Private Voluntary Cooperation and Office of Procurement developed this Sourcebook for results-oriented assistance (grants and cooperative agreements). Stakeholder interviews conducted in December 1997 and January 1998 confirmed the need for a user-friendly primer on using results-oriented assistance instruments. This Sourcebook also responds to recommendations made by USAID's Acquisition and Assistance Task Force "... to consolidate and simplify the sources of information" in order to "enhance empowerment, the exercise of judgment, and the ability to make astute choices among development alternatives." The Team hopes the Sourcebook will facilitate and simplify the process of designing and implementing results-oriented assistance instruments.

Intended Audience: The Sourcebook is intended for both USAID staff and Development Partners.

Sourcebook Objectives: In working with Development Partners (e.g., PVOs, NGOs and educational institutions), USAID's goal is to reduce unnecessarily burdensome administrative requirements and become "user-friendly" to our Development Partners.

The Sourcebook will help USAID staff and Development Partners improve their ability to fulfill their responsibilities to:

- ▶ Manage for results through partnership relationships with the people and governments of assisted countries, U.S. businesses, private voluntary organizations (PVOs), non-governmental organizations (NGOs), the academic community, and other U.S. Government agencies;
- ▶ Use results-oriented assistance instruments to plan, monitor, and



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evaluate achievement of results and performance targets;

- ▶ Gather, analyze and report overall performance against intended results and Strategic Objective(s); and,
- ▶ Use performance monitoring and evaluation information to inform decision-making, make flexible adjustments when necessary, and highlight achievement of results.

The Sourcebook assembles a great deal of information for the first time on the Internet. It is designed to integrate information on assistance instruments (grants and cooperative agreements) with material on USAID's core values, particularly managing for results. Development Partners and potential Recipients will find the site useful in understanding how USAID parses "results" and "performance."

An electronic website format was chosen in order to make information more easily accessible and to facilitate updating and supplementation. This is a living document that will be revised continuously to address issues, problems, and points as they are identified by USAID and its Development Partners in practice.

What the Sourcebook is not is a collection of rigid rules or an Agency directive. In keeping with the spirit of re-engineering and the National Performance Review (NPR), the Sourcebook is a resource, not a requirement. While some of the primary sources discussed in this website are mandatory, this Sourcebook is not, and is not intended to be cited as prescribing methods of achieving results. Examples and links are for reference only, and do not imply USAID endorsement of their content. Exploration and innovation are encouraged!

The Sourcebook is based on managing for results best practices developed by USAID and Development Partners. Throughout the Sourcebook, users have an opportunity to link to appropriate statutes, regulations, USAID policies, directives, and programming documents, such as results packages and results-oriented Requests for Applications (RFAs).

In addition, links to other organizations whose practices have been reviewed include: National Performance Review (which is now the National Partnership for Reinventing Government), African Development Foundation, the InterAmerican Foundation, Oregon Benchmarks, Sustainable Seattle, Canadian International Development Agency (CIDA), the Asia Foundation, and the World Bank.

The Sourcebook will be updated with new examples on a regular basis. The Sourcebook Team welcomes your comments and suggestions.

## Acknowledgements

The Sourcebook Team is grateful to all the individuals from USAID and Development Partners who provided their time and shared their experiences in managing for results. Many of these individuals have agreed to act as virtual mentors and their email addresses are provided in the Sources and Resources section.



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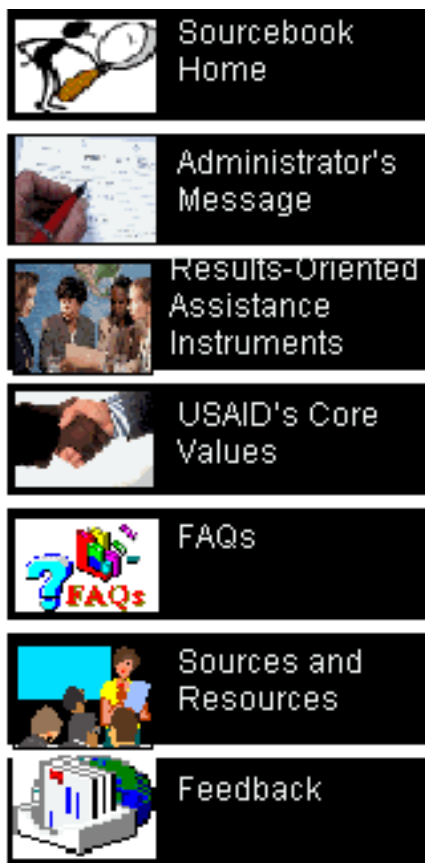
[Elise Storck](#)

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(Revised October 10, 1999)

# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK



## Administrator's Message

USAID/GENERAL NOTICE  
A/AID

Administrator

TO: USAID Staff and Partners

SUBJECT: Updated Version of the Result-Oriented Assistance Sourcebook

I am pleased to introduce the updated version of “Results-Oriented Assistance: A USAID Sourcebook.” The Sourcebook combines – in one place – the policies and procedures related to our core values with those that govern assistance instruments.

A year ago, the Office of Private and Voluntary Cooperation and the Office of Procurement published the draft and solicited comments and material from you to augment the examples and “best practices” in the Sourcebook. Since that time, we have included the information you have provided, updated the contents, reviewed all citations and links for continued accuracy, and responded to many users’ questions and suggestions.

The Sourcebook has proved to be a useful tool for USAID staff and partners alike. It is a vital component of our Reaching-for-Results training course and is also being used by many of our partners in their own training programs. Feedback, thus far, shows that the Sourcebook is meeting our objective of providing easily accessible, practical information on how to use grants and cooperative agreements to achieve development results. I encourage you to visit the website frequently and to continue to send ideas and examples to the Sourcebook Team. The website address is: <http://www.info.usaid.gov/pubs>.

J. Brian Atwood

Point of Contact: Any questions concerning this sourcebook may be directed to [Noreen O’Meara](#), BHR/PVC, (202) 712-5979 or [Barbara Broucker](#), M/OP, (202) 712-0824

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# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK



Defining Results-  
Oriented Assistance  
Instruments

## Results-Oriented Assistance Instruments

[Defining Results-Oriented Assistance](#) describes the key elements and attributes of results-oriented assistance instruments, and discusses the implications of the use of assistance instruments for USAID and the Recipients. Links to fuller definitions of results and performance, as well as grants and cooperative agreements, are also provided.



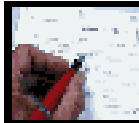
Planning Results-  
Oriented Programs

[Planning Results-Oriented Programs](#) explains how to develop a results-oriented program description, establish a performance measurement system, and determine responsibility for performance. Links are provided to examples of activities that are aligned to Agency strategic objectives (SOs).



Choosing Results-  
Oriented Assistance  
Instruments

[Choosing Results-Oriented Assistance Instruments](#) states the **statutory** requirements and USAID **policies** that govern the choice between assistance instruments and procurement contracts.



Writing Results-  
Oriented Program  
Descriptions

[Writing Results-Oriented Program Descriptions](#) describes how to write results-oriented program descriptions for inclusion in a USAID Request Applications (RFA) or a Development Partner's application in response to an RFA.



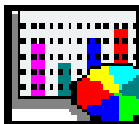
Awarding Results-  
Oriented Assistance  
Instruments

[Awarding Results-Oriented Assistance Instruments](#) covers the main aspects of the pre-award phase of assistance and the pre-award steps or procedures for competitively awarded assistance instruments.



Administering  
Results-Oriented  
Assistance Inst.

[Administering Results-Oriented Assistance Instruments](#) notes the need to practice partnership principles and maintain flexibility while administering results-oriented assistance programs.



Monitoring and  
Evaluating  
Performance

[Monitoring and Evaluating Performance](#) describes the key steps in monitoring and evaluating performance, briefly reviews the content of a results review and resource request (R4), and explores potential responses by USAID and its Development Partners when results are not achieved. Links are provided to additional information on results reporting and use of performance information.

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(Revised October 10, 1999)

# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK



Defining Results-  
Oriented Assistance  
Instruments

## Defining Results-Oriented Assistance



Planning Results-  
Oriented Programs



Choosing Results-  
Oriented Assistance  
Instruments



Writing Results-  
Oriented Program  
Descriptions



Awarding Results-  
Oriented Assistance  
Instruments



Administering  
Results-Oriented  
Assistance Inst.



Monitoring and  
Evaluating  
Performance

**RESULT:** A change in the condition of a customer or a change in the host country condition which has a relationship to the customer. A result is brought about by the intervention of USAID in concert with its Development Partners. Results are linked by causal relationships; i.e., a result is achieved because related, interdependent result(s) were achieved. Strategic Objectives are the highest level result for which an operating unit is held accountable; intermediate results are those results which contribute to the achievement of a Strategic Objective. (ADS Chapters [201](#), [202](#), [203](#))

### What is a results-oriented assistance instrument?



A grant or cooperative agreement awarded to a Development Partner to achieve results that contribute to USAID's performance goals.

## What are the principal elements of results-oriented assistance instruments?

A [results-oriented](#) assistance instrument is a [grant or cooperative agreement](#) that employs three key elements:

- ▶ a results-oriented program description;
- ▶ a performance measurement system; and
- ▶ responsibility for performance.

Each element performs an important role, but they are broad, evolving concepts to be applied flexibly and in a manner appropriate to the unique facts and circumstances of particular programs. The following table notes some of the main components or attributes of each of these elements of results-oriented assistance:

Key Elements	Components or attributes...
Results-oriented program description	<ul style="list-style-type: none"><li>☞ description of specific results to be achieved in support of intermediate results (and ultimately, strategic objectives), as well as how these align with the Agency's Strategic Plan</li><li>☞ description, without over prescriptive detail, of strategies and processes to achieve intended results</li><li>☞ assessment of key factors both within and outside the Development Partner's control</li><li>☞ customer needs analysis and other appraisals used in articulating intended results</li></ul>
Performance measurement system (monitoring and evaluating performance)	<ul style="list-style-type: none"><li>☞ performance indicators to measure and assess the achievement of planned results--at the output, outcome, intermediate result, and, where applicable, strategic objective levels</li><li>☞ baseline data and performance goals at various levels of result (target level of performance against which actual achievement can be compared)</li><li>☞ means to be used to verify and validate measurements</li><li>☞ reports and uses of performance information</li></ul>

## Responsibility for performance

👉 responsibility for achieving results (accountability)

👉 distinction between unforeseen or external challenges, and real performance deficiencies within the Recipient's reasonable control

👉 appropriate responses to performance issues and unanticipated difficulties ranging from program adjustments to corrective actions for deficient performance

## Whose results? USAID's? The Development Partner's?

If you answered "both" to these questions, you are right! A distinguishing characteristic of assistance instruments is that they create a **partnership** relationship. In this partnership, both USAID and its Development Partners contribute to the formulation and refinement of the results to be sought, just as both will be cooperating to achieve these results.

The program to be implemented through a results-oriented assistance instrument is the Development Partner's program. But the program is supported by public funds tied to USAID's mandate of achieving results laid out in the Agency Strategic Plan and Strategic Framework. Part of USAID's mandate includes ensuring that the use of public funds achieves results that are customer-focused. USAID cannot do it alone. USAID achieves results in concert with its Development Partners, partners with shared objectives and strategies.

USAID supports Development Partners through assistance instruments (grants and cooperative agreements). The purpose of results-oriented assistance instruments is to achieve results that are aligned to the Agency Strategic Plan and performance goals. The **emphasis** in USAID and Development Partners' planning and implementation documents should be on delineation of results and performance measurement, not on inputs and processes. Achieving results at the output level and the outcome level is very much the responsibility of the Development Partner (Recipient). The core Strategic Objective (SO) Team ensures the alignment of the various contributions of the different Development Partners to the Agency Strategic Plan.

## What does results-oriented assistance mean for USAID and for Recipients?

[Planning](#) results-oriented assistance, [achieving](#) results, and [monitoring and evaluating](#) performance of results-oriented assistance will require teamwork within the core SO Team (USAID technical, procurement and support staff) and between the core SO Team and the expanded SO Team (Development Partners, stakeholders, and customer representatives) on the following aspects:

- ▶ Customer-defined results.
- ▶ Up-front clarity on specific measurable results that the SO Team and Development Partner (Recipient) are committed to achieve within a timeframe.
- ▶ Alignment of Development Partner (Recipient) and SO Team results.
- ▶ Empowerment of the Development Partner (Recipient) to use reasonable management latitude to adjust its budget and program plans.
- ▶ Establishment of joint monitoring mechanisms that enable USAID and the Development Partner (Recipient) to know when results are, or are not, being achieved.
- ▶ Clarity on performance targets and responsibility for performance.
- ▶ Patience and objectivity to ensure that performance issues are handled appropriately, and the true causes of any failure to achieve intended results are identified.
- ▶ Flexibility for USAID, and the Development Partner (Recipient), to make adjustments when necessary.

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(Revised October 10, 1999)

# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK

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## Definitions of Results and Performance: A Comparative Summary

The [Government Performance and Results Act of 1993](#) (GPRA), most commonly referred to as the Results Act, has challenged government leaders to reach out and understand what customers really need and expect from government. With this information, government agencies must strategically plan how they will deliver high quality products and services to the American people and their other customers through better, faster, and cheaper programs. Once their **strategic goals** are established, agency leaders must establish **performance measures**, for which they are fully accountable, to assess and ensure that departments and agencies are indeed delivering on the promises made in Strategic Plans.

### What are the definitions provided by the Results Act?

GPRA does not explicitly define Strategic Plan but provides a list of **elements** that Strategic Plans must contain. GPRA provides the following definitions for key terms related to performance measurement:

**Outcome measure** means an assessment of the results of a program activity compared to its intended purpose;

**Output measure** means the tabulation, calculation, or recording of activity or effort and can be expressed in a quantitative or qualitative manner;

**Performance goal** means a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate;

**Performance indicator** means a particular value or characteristic used to measure output or outcome;

**Program activity** means a specific activity or project as listed in the program and financing schedules of the annual budget of the U.S. Government; and

**Program evaluation** means an assessment, through objective measurement and systematic analysis, of the manner and extent to which Federal programs achieve intended objectives.

Most important, as established in the GPRA, Strategic Planning can be an opportunity to unify the management, employees, stakeholders and customers through a common understanding of where the organization is going, how everyone involved can work to achieve that common purpose, and how we will measure our progress and levels of success.

## What definitions are provided by OMB?

OMB [Circular A-11](#) uses the same definitions, but also provides and defines the following terms:

**General goal** means an elaboration of the mission statement, developing with greater specificity how an agency will carry out its mission. The goal may be of a programmatic, policy, or management nature, and is expressed in a manner which allows a future assessment to be made of whether the goal was or is being achieved.

**General objective** is often synonymous with a general goal. In a Strategic Plan, an objective may complement a general goal whose achievement cannot be directly measured. The assessment is made on the objective rather than the general goal. Objectives may also be characterized as being particularly focused on the conduct of basic agency functions and operations (e.g. computer capacity, staff training and skills) that support the conduct of programs and activities.

**Outcome goal** means a description of an intended result, effect, or consequence that will occur from carrying out a program or activity.

**Output goal** means a target of performance of the level of activity or effort that will be produced or provided over a period of time or by a specified date, including a description of the characteristics and attributes (e.g., timeliness) established as standards in the course of conducting the activity or effort.

## What definitions are provided by the National Performance Review (NPR)?

The [Federal Consortium Benchmarking Study Team](#) of the NPR found a number of definitions of Strategic Planning, but settled on "a continuous and systematic process where the guiding members of an organization make decisions about its future, develop the necessary procedures and operations to achieve that future, and determine how success is to be measured."

It is necessary to look at a few key words in the definition:

**Continuous** refers to the fact that Strategic Planning must be an ongoing process, not merely an event to produce a plan;

**Systematic** recognizes that Strategic Planning must be a structured and deliberate effort, not something that happens on its own;

**Process** recognizes that one of the benefits of Strategic Planning is to involve stakeholders in thinking strategically about the future and how to get there;

**Procedures and operations** to achieve that future means the full spectrum of actions and activities from aligning the organization behind clear, long-term goals, to putting in

place organizational and personal incentives, allocating resources, and developing the workforce to achieve the desired outcomes; and

**How success is to be measured** recognizes that strategic planning must use appropriate measures to determine whether the organization has achieved success.

The NPR also commissioned the first-ever intergovernmental benchmarking consortium involving not only U.S. federal agencies, but also local governments and the government of Canada in a collaborative study of performance measurement. The Performance Measurement Study Team used the following definition:

**Performance measurement** is a process of assessing progress toward achieving predetermined goals, including information on the efficiency with which resources are transformed into goods and services (outputs), the quality of those outputs (how well they are delivered to clients and the extent to which clients are satisfied) and outcomes (the results of a program activity compared to its intended purpose), and the effectiveness of government operations in terms of their specific contributions to program objectives.

## What definitions are provided by USAID?

The Agency's [Automated Directives System](#) (ADS), which is currently being revised, replaces the USAID handbooks. The ADS includes a glossary of key terms. The Sourcebook will use the following definitions:

**Strategic Plan** is the framework which an operating unit uses to articulate the organization's priorities, to manage for results, and to tie the organization's results to the customer/beneficiary. The Strategic Plan is a comprehensive plan that includes the delimitation of strategic objectives and a description of how resources will be deployed to accomplish them. A Strategic Plan is prepared for each portfolio, whether it is managed at a country level, regionally, or centrally. (Chapters 201, 202, 203, 204)

**Performance measurement** is a means of evaluating efficiency, effectiveness, and results. A balanced performance measurement scorecard includes financial and nonfinancial measures focusing on quality, cycle time, and cost. Performance measurement should include program accomplishments in terms of outputs and outcomes. (ADS Chapter 594)

**Result** is a change in the condition of a customer or a change in the host country condition which has a relationship to the customer. A result is brought about by the intervention of USAID in concert with its Development Partners. Results are linked by causal relationships; i.e., a result is achieved because related, interdependent result(s) were achieved.

**Strategic objectives** are the highest level result for which a USAID Operating Unit is held accountable.

**Intermediate results** are those results which contribute to the achievement of an Operating Unit's strategic objective. (Chapters 201, 202, 203)

## Key GPRA and OMB Terms Compared with USAID Terms

		Performance Goal/Target/Standard		
USAID	Input	Results	Results (Intermediate Results)	Strategic Objectives
GPRA	Input	Output	Outcome	General Goals and Objectives
GPRA Definitions and examples	<p>"Amount of resources devoted to a program activity."</p> <p>Example:</p> <p><i>Dollars appropriated and FTEs assigned to job training program</i></p>	<p>"Tabulation, calculation, or recording of activity or effort, expressed in a quantitative or qualitative manner."</p> <p>Example:</p> <p><i>Number of people trained by program</i></p>	<p>"Assessment of the results of a program activity compared to its intended purpose."</p> <p>Example:</p> <p><i>Number of people trained by program that landed and kept jobs</i></p>	<p>"General goal means an elaboration of the mission statement, developing with greater specificity how an agency will carry out its mission." (OMB)</p> <p>"General objective is often synonymous with a general goal. In a Strategic Plan, an objective(s) may complement a general goal whose achievement cannot be directly measured." (OMB)</p>
	[What is important is the efficiency with which resources are transformed into outputs.]	Performance goal at the Output level = Target of <b>performance</b> at the output level against which actual achievement can be compared	Performance goal at the Outcome level = Target of <b>performance</b> at the outcome level against which actual achievement can be compared	Performance goal at the goal/objective level = Target of <b>performance</b> at general goal or objective level against which actual achievement can be compared
Timeframe	short-term	short-term	medium-term	long-term

This sourcebook will use the reengineering terminology and definitions provided in the ADS glossary.

[Back to Defining Results-Oriented Assistance](#)

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# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK



## Planning Results-Oriented Assistance











Strategic planning is a powerful tool for setting priorities and making informed decisions about the future. But simply having a Strategic Plan is not enough. To meet strategic goals, organizations also need a mechanism to assess progress and help adjust course from time to time. Thus, a successful, results-driven Strategic Plan will include three essential elements:

- ▶ Developing a common vision about where you want to go;
- ▶ Developing a performance measurement system to assess where your operating unit/organization is right now and to measure progress over time;
- ▶ Determining how to achieve the vision.

USAID [Strategic Objective \(SO\) Teams](#) shape their vision during the strategic planning process, either in Missions or Washington-based Operating Units. This process both informs and is informed by broader Agency strategic planning. The strategic planning process must include the participation of customer representatives, stakeholders, and Development Partners.

At the same time, Development Partners also have organizational Strategic Plans, mission statements, goals and objectives. These will not always match those of USAID or any other individual donor. Nevertheless, in the process of mutual consultation between USAID and Development Partners there will often be a convergence of objectives representing a shared commitment to a customer-focused, results-oriented program that will contribute to sustainable development and the achievement of the Agency's six goals. This common ground underlies results-oriented assistance. The challenge is to seek mutually desirable alignment of objectives and mechanisms for "managing for results" between USAID and Development Partners. For example, does the partner organization's Strategic Plan align with a Mission's or Washington-based operating unit's Strategic Plan? Alignment does not mean that the two must coincide one hundred percent: only that there is broad agreement on certain fundamentals in a particular case -- shared vision, results orientation, customer-focus and accountability for achieving shared performance targets or goals. The chart below depicts this relationship.

## Relationship between Development Partners and USAID Operating Units in Planning Results-Oriented Assistance

DEVELOPMENT PARTNER		USAID MISSIONS AND OPERATING UNITS		AGENCY
Organizational Strategic Plan		Country Strategic Plan Operating Unit Strategic Plan		USAID's Strategic Plan (1997-2007)
Results Package (results partly funded by USAID)		Results Framework		Agency Strategic Framework
Performance Monitoring and Evaluation Plan		Performance Monitoring, Evaluation, and Research Plan		Agency Performance Plan and Congressional Presentation
Organization's results that could be incorporated in the Annual Results Review and Resource Request (R4)		Annual Results Review and Resource Request (R4)		Annual Performance Report to Congress

### Steps in planning results-oriented assistance instruments

Results-oriented assistance is based on [participatory strategic planning](#). To plan results-oriented assistance instruments follow these four simple steps:

[Step 1](#): Begin with a customer service plan.

[Step 2](#): Develop a results-oriented program description.

[Step 3](#): Establish a performance measurement system.

[Step 4](#): Agree upon responsibility for performance.

---

## Step 1: Begin with a customer service plan.

Identify who your customers are and what their needs are.

Describe your customers' participation in planning, achieving, and measuring and evaluating results. Since the intended results directly affect the condition of a customer or the host country (see definition of results in the [Glossary](#)), it is imperative that customers participate in defining what are those changes.

Articulate the link between your intermediate customers and ultimate customers.

## Step 2: Develop a results-oriented program description

Align each proposed activity (an action to help achieve a program result or set of results, or to support the functioning of the Agency or one of its operating units) with the Agency's Strategic Plans and performance goals.

- ▶ Begin with a clear understanding of the Agency's goals and Strategic Objectives.
- ▶ Identify the Agency Goal and Strategic Objective and performance goals a proposed activity will help achieve.

Agency Goal 1: Broad-based economic growth and agricultural development encouraged

Agency Goal 2: Building sustainable democracies

Agency Goal 3: Human capacity built through education and training

Agency Goal 4: World population stabilized and human health protected

Agency Goal 5: The world's environment protected for long-term sustainability

Agency Goal 6: Lives saved, suffering associated with natural or man-made disasters reduced

- ▶ Identify the Strategic Objective(s) or Intermediate Result(s) (of the Mission or Operating Unit) a proposed activity will help achieve.

For intended results of Missions or Washington-based operating units see [Congressional Presentations](#). Very few Field Mission or Washington-based operating units have their Strategic Plans and results framework accessible on the web but these can be requested by e-mail. Check [on-line e-mail addresses here](#).

Define the specific, appropriate, and realistic results (changes in the condition of a customer or changes in the host country condition that affects a customer) to be achieved.

- ▶ Describe the different levels of results--at the output level, the outcome level, the Intermediate Results level, and, if appropriate, results at the Strategic Objective level.
  - ▶ Describe whether each set of results works in conjunction with one or more other results and whether any sets of results have a cause-and-effect relationship.
  - ▶ Describe quantitative and qualitative measures to assess whether results have been achieved.
  - ▶ Explain the basis for determining that the results are within the operating unit's or Development Partner's manageable interest or span of influence and resources.
-

Describe strategies and processes believed necessary to ensure successful achievement of results, without over-prescriptive detail that might limit a partner's ability to respond to changing circumstances during implementation.

- ▶ Describe operational processes, skills and technologies, and human, capital, information and other resources that are necessary to achieve the level of results. (For USAID, **avoid being overly prescriptive and input-oriented** as this can actually impede program success and flexibility.)
- ▶ Outline the process for assigning responsibility between Strategic Objective Core Team members (USAID technical, procurement, and support staff) and Strategic Objective Team Expanded members, including Development Partners. See [Step 3](#) below.



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Identify external and uncontrollable factors that could significantly affect the achievement of the goal and objectives.

- ▶ Assess the likelihood and potential impact of key factors, such as political, economic, demographic, social or environmental that could facilitate or constrain achievement of the results.
- ▶ Describe how external factors will be monitored, what attempts will be made to mitigate potential negative effects and build on potential positive effects, and what types of adjustments may be necessary.
- ▶ Discuss the nature and extent of participation of customers, stakeholders, and other Development Partners needed to ensure achievement of results.

Describe customer needs analysis, appraisals, evaluations, and other methodologies used in formulating results to be achieved.

- ▶ Identify customer/stakeholder analysis, evaluations, appraisals, and other sources used.
- ▶ Describe stakeholder and customer participation in defining results.
- ▶ State how coordination will be maintained among all actors.
- ▶ Summarize the plan for monitoring and evaluating performance.

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## Step 3: Establish a system for monitoring and evaluating performance and for reporting and using performance information

*In contrast to the traditional monitoring and evaluation of "inputs and outputs" or "project outcomes", the emphasis of performance measurement is on results and on analyzing information to learn, re-plan, and improve performance.*

## DEFINITIONS: Automated Directive System (ADS)

**PERFORMANCE INDICATOR:** A particular characteristic or dimension used to measure intended changes defined by an organizational unit's results framework. Performance indicators are used to observe progress and to measure actual results compared to expected results. Performance indicators serve to answer "how" or "whether" a unit is progressing towards its objective, rather than why/why not such progress is being made. Performance indicators are usually expressed in quantifiable terms, and should be objective and measurable (numeric values, percentages, scores and indices). Quantitative indicators are preferred in most cases, although in certain circumstances qualitative indicators are appropriate. (Chapters 201, 202, 203, 250)

**PERFORMANCE BASELINE:** The value of a performance indicator at the beginning of a planning and/or performance period. A performance baseline is the point used for comparison when measuring progress toward a specific result or objective. Ideally, a performance baseline will be the value of a performance indicator just prior to the implementation of the activity or activities identified as supporting the objective which the indicator is meant to measure. (Chapters 201, 202, 203)

**PERFORMANCE TARGET:** The specific and intended result to be achieved within an explicit timeframe and against which actual results are compared and assessed. A performance target is to be defined for each performance indicator. In addition to final targets, interim targets also may be defined. (Chapters 201, 202, 203, 250)

## Establish performance indicators (measures).

- ▶ Identify a performance indicator, expressed as a tangible, measurable objective against which actual achievement can be compared for each result.
- ▶ Identify a baseline and then define a performance target (**variously referred to as performance goal, performance standard, performance measure**) for each indicator.
- ▶ Plan to measure performance against targets or goals at various levels of results -- results at the output level, the outcome level, the Intermediate Results level, and, if applicable, at the Strategic Objective level.
- ▶ Link each indicator and corresponding data requirements to the applicable Strategic Plan.

For tips and examples [see CDIE's Establishing Performance Targets.](#)

## Establish performance monitoring and evaluation plan for gathering and analyzing data.

- ▶ Define the unit of measure for each result. Provide enough detail to ensure that different people at different times, given the task of collecting data for a given indicator, would collect identical types of data.
- ▶ Identify the data source for each performance indicator. Data sources may include government departments, international organizations, other donors, NGOs, USAID offices, or activity implementing agencies. Be as specific about the source as possible, so the same source can be used routinely.
- ▶ Specify the method or approach to data collection for each indicator.
- ▶ Gather comparable data periodically to measure progress.
- ▶ Assign responsibility to a particular office, team or individual for the timely acquisition of

data from data sources.

- ▶ Plan the analysis of performance data for individual indicators or groups of related indicators. Identify data analysis techniques and data presentation formats to be used.
- ▶ Plan any complementary evaluation efforts.
- ▶ Estimate roughly the costs to the operating unit of collecting, analyzing, and reporting performance data for a set of performance measures. Identify the source of funds. (Please note: Reengineering guidance gives a range of 3 to 10 percent of the total budget for an SO as a reasonable level to spend on performance monitoring and evaluation.)

## Establish a plan for reporting and using performance information.

- ▶ Plan to use performance information to adapt and improve the performance, effectiveness, and design of existing development assistance activities.
- ▶ Revise Agency or operating unit strategies where necessary.
- ▶ Plan new Strategic Objectives, results packages and/or activities.
- ▶ Inform decisions whether to alter or abandon Agency program strategies, Strategic Objectives or results packages which are not achieving intended results.
- ▶ Document findings on the impact of development assistance.
- ▶ Plan what evaluation efforts, if any, will be needed to complement information from the performance monitoring system.
- ▶ Plan, schedule, and assign responsibilities for internal and external reviews, briefings, and reports.
- ▶ Clarify what, how and when management decisions will consider performance information.

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Check these out for further detailed information on:

[Planning monitoring and evaluating performance and on reporting and using performance information.](#)

[Monitoring and evaluating performance.](#)

[CDIE Monitoring and Evaluation Tips](#)

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## Step 4: Agree upon responsibilities for performance

*Empowered individuals/teams/offices/organizations meet or exceed performance goals when they have authority to make decisions and solve problems related to the results for which they are accountable.*  
NPR Best-in-Class Practice





### Plan roles and responsibilities for achieving results

- ▶ USAID uses grants and cooperative agreements in **partnership** relationships. These assistance instruments are not intended for use in cases where USAID seeks to exercise detailed operational control. However, experience does not indicate any correlation between such control and successful implementation of results. Grants and cooperative agreements are not only absolutely appropriate for achieving results, but they may in fact be superior vehicles for this purpose in many cases.
- ▶ A partnership involves mutual consultation and dialogue on major aspects of the program. A basic aspect of program planning, which requires careful thought at the outset, is determining appropriate roles and responsibilities for both USAID and Development Partners.

### Negotiate accountability for performance

- ▶ How far up the hierarchy of results a Development Partner is held accountable for performance depends on a variety of factors: amount of resources, timetable, their span of influence over other Development Partners and the Host Country Government, and the gap between where things are and where things ought to be. Allocating responsibility to a Development Partner for achievement of results at the Strategic Objective level raises important issues about whether such results are within the partner's manageable interest. Although SO level responsibility might be negotiated in an individual case (e.g., in a very small Mission or non-presence country), this is not currently common practice. Rather, SO-level results responsibility is more appropriately assigned in the large majority of situations to USAID.

The following table shows the different levels of results and the need for a baseline and performance target for each result, as well as the locus of accountability for performance. Note that entries in the third column depend upon the dialogue that has occurred between USAID and the Development Partner regarding the appropriate level of responsibility each has for achieving results.

Level of Result	Performance Measure or Indicator	Accountability for performance?
 Agency Goal	Baseline Performance Target 	Agency
 Agency Objectives	Baseline Performance Target 	Agency

 Mission/Operating Unit Strategic Objective	Baseline Performance Target 	Mission and/or Washington-based Operating Unit - SO Teams
 Intermediate Result(s)	Baseline Performance Target 	Development Partner(s)
 Outcome(s)	Baseline Performance Target 	Development Partner(s)
 Output(s)	Baseline Performance Target 	Development Partner(s)
 Activities, strategies, processes	Baseline Performance Target 	Development Partner(s)

## Plan for flexible adjustments

► Keep in mind that a wide variety of external factors can affect achievement of specific results and performance targets. For example, changes in political, social, economic, or other circumstances or types of external events, may occur. These events may render previous assumptions invalid, or performance as originally intended impossible or impracticable. The challenge for USAID and its Development Partners--as partners--is to work together, in an open and transparent way, to figure why results are not being achieved and to make the appropriate program adjustments in a timely manner. In cases in which the results to be achieved are in fact within the manageable interest of the partner but are not achieved, remedies are available. (See [Monitoring and Evaluating Performance.](#))

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The [Sourcebook Team](#) requests your feedback on best practices for assigning accountability for performance within a partnership relationship.

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See some examples of alignment to Agency strategic objectives.

[South Africa](#): Annual Program Statement of USAID/South Africa's Education Strategic Objective

[Mozambique](#): SO2 -- Government and Civil Society are effective partners in democracy governance at national and local levels

[The Asia Foundation](#): Global Women in Politics

See some examples of how other agencies align each of their activities to their Strategic Plans.

[General Services Administration](#) (GSA): Link Information Technology Projects to Agency Goals and Objectives

[Inter American Foundation](#): The Grassroots Development Framework

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(Revised October 10, 1999)

# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK



Defining Results-  
Oriented Assistance  
Instruments



Planning Results-  
Oriented Programs



Choosing Results-  
Oriented Assistance  
Instruments



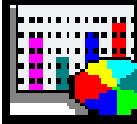
Writing Results-  
Oriented Program  
Descriptions



Awarding Results-  
Oriented Assistance  
Instruments



Administering  
Results-Oriented  
Assistance Inst.



Monitoring and  
Evaluating  
Performance

## Choosing Results-Oriented Assistance Instruments

In selecting which instrument to use to implement a results-oriented foreign assistance activity, it is important to understand the differences among the available options. Assistance instruments and procurement contracts are not interchangeable. Statutory requirements, Office of Management and Budget (OMB) guidance (OMB, "Implementation of Federal Grant and Cooperative Agreement Act of 1977" (Pub.1, 95-224), 43 Federal Register 36860-36865 (August 18, 1978) (the 1978 OMB Guidance), and USAID **policy** (USAID Regulation 26, 22 CFR 226.11; [ADS 304.5](#)) provide criteria and a collaborative procedure for choosing the right instrument for an activity. This page provides information to help USAID Teams, Activity Managers, and Agreement Officers make the right choice.

# Choosing Between Assistance Instruments and Procurement Contracts to Implement Results-Oriented Foreign Assistance Activities

Click here to review the meaning of the terms ["assistance instruments"](#) and ["procurement contracts."](#)

## How different are Assistance Instruments and Procurement Contracts?

Paul Dembling and Malcolm Mason, two of America's foremost authorities on the legal aspects of grants and cooperative agreements, have summarized the differences between assistance instruments and procurement contracts by writing that they:

*"Serve different purposes;  
Are entered into through different procedures;  
Carry different conditions  
Permit different remedies;  
Are enforced differently;  
Are administered, generally and properly, by different groups of people and in a different spirit; and  
On significant issues, have totally contradictory rules."*

Essentials of Grant Law Practice (ALI ABA 1991), p. 3.

## Do these differences make one type of instrument more suitable for results-oriented activities than the other?

No. As a general matter, both types are equally appropriate and effective for use in results-oriented activities.

## Can the type of instrument be selected on the basis of such considerations as cost or administrative convenience?

No. The criteria for selecting an assistance instrument or a procurement contract are based on **statute** and **mandatory policy**. It is not permissible to utilize one type or the other based on subjective reasons, or merely to avoid certain requirements.

## What do the differences between assistance instruments and procurement contracts mean in practice?

The following table notes some of the terminological and substantive differences between the two types of instruments:

<p style="text-align: center;"><b>Some Fundamental Differences Between Assistance Instruments and Procurement Contracts</b></p>
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<b>Issue</b>	<b>Assistance Instruments</b>	<b>Procurement Contracts</b>
Instrument Type(s)	Grant or Cooperative Agreement	Contract
General Nature	Assistance	Acquisition
Purpose	Support or Stimulate a Public Purpose	Purchase for Government's Direct Benefit or Use
Relationship	Partner	Vendor
Can It Be Results-Oriented?	Yes! (Results-Oriented Assistance Instruments)	Yes! (Performance-Based Service Contracts)
USAID's Role	Donor/Funding Agency	Purchaser/Client
Implementor's Role	Implement Program	Provide Goods or Services
M/OP Officer	Agreement Officer ("AO")	Contracting Officer ("CO")
Main Implementor	Recipient	Contractor
Sub-Implementors	Subrecipients	Subcontractors
Offer	Application	Bid or Proposal
Offeror	Applicant	Bidder or Offeror
Activity	Program	Work or Services
Solicitation	Request for Applications (RFA) or Annual Program Statement (APS)	Request for Proposals (RFP) or Invitation for Bids (IFB)
Description of Activity	Program Description	Statement of Work
Cost-Sharing	Often	Very Rare
Competition	Encouraged by Policy	Mandated by Statute

Award Protests***	No formal procedure; handled informally within USAID	Can be filed with USAID, GAO, the Court of Federal Claims, or the Federal District Courts
Activity Manager Administrative Authority	Limited by regulation to selected essential aspects	CO delegates broad Technical Directions Authority to "Technical Representative" ("COTR")
Basis of Payment	Costs	Usually Fixed Price or Rate, or Costs Plus Profit or Fee
Timing of Payment	Reimbursement, Normally in Advance	Reimbursement, normally after Incurrence
Performance Disputes	AO Decision May be Appealed Within USAID Only	CO Final Decision May Be Appealed to Armed Services Board of Contract Appeals or Court of Federal Claims
Termination Rights	For Cause, Mutually, or Changed Circumstances	For Default or Unilaterally by USAID for Convenience

## Choosing Between Assistance Instruments and Procurement Contracts to Implement an Activity: Law, Policy and Procedure

As noted above, selection of the appropriate type of instrument with which to implement a foreign assistance activity is governed by **statute** and by OMB and USAID **policy** and procedure.

Grants must be used, by **statute**, when two criteria apply:

- the principal purpose of the relationship between USAID and an implementor to be created by the agreement "Is to transfer a thing of value to the...recipient to carry out a public purpose of support or stimulation authorized by a law of the United States..."; and

▶ substantial involvement by USAID is not anticipated in the conduct of the activity. See 31 U.S.C. 6304.

USAID policy adds a third criterion, which flows from the first two: that the recipient will have "substantial freedom to pursue its stated program." [See ADS 304.5.1c2.](#)

Cooperative Agreements, again by **statute**, must be used when:

- ▶ the "principal purpose of the relationship" test (same as for grants) is met; and
- ▶ substantial involvement by USAID is anticipated in the conduct of the activity. [See 31 U.S.C. 6305; ADS 304.5.1b.](#)

USAID **policy** does not permit the use of either grants or cooperative agreements in connection with activities over which "USAID plans to exercise a substantial degree of operational control". See ADS 304.5.1d. As a general rule, OMB does not favor the reservation of such control (*"Agencies should limit Federal involvement in assisted activities to the minimum consistent with program requirements."* 1978 OMB Guidance, Sec. C2.) USAID policy also imposes limits on the permissible degree of substantial involvement under cooperative agreements.

Procurement Contracts must be used when:

- ▶ the principal purpose of the instrument is "the acquisition, by purchase, lease, or barter of property or services for the direct benefit or use of USAID or any other Federal Government entity." [See 31 U.S.C. 6303; ADS 304.5.1a.](#)

Are certain types of activities linked to specific types of instruments?

No! As OMB's 1978 Guidance notes, *"the selection of the appropriate legal instrument [must] be based on the character of the specific transaction (i.e., procurement or assistance) rather than on a functional activity or class of Recipient."* (P 36860, col.3)

Thus, for example, federal funding for research is not always provided through assistance instruments and construction, studies, and technical assistance can occur under either assistance or procurement. It is not the activity but rather the U.S. Government's primary purpose in funding it, and the nature of the relationship intended to be created by the funding.

What is the procedure by which the appropriate instrument is selected, and who has the authority and responsibility for the choice?

USAID **policy** provides the following guidance ([see ADS 304.3](#)):

- ▶ The Strategic Objective Team makes the initial call when it formulates the elements of planned activities. In some cases, it will be quite clear from the outset which type of instrument is best suited for a particular activity. In other cases, clarity will only be achieved through an iterative process, or following consultations with the cognizant Agreement Officer.
- ▶ The Agreement Officer reviews the proposed document describing the activity (a program description for assistance instruments, or a statement of work for procurement contracts) and either approves or questions the method selected. He or she may already have had input

at the requirements formulation stage.

► It is essential that discussions between the Strategic Objective Team and the Agreement Officer concerning the appropriate instrument be collaborative. All participants in the process must share the objective of full compliance with applicable law and USAID policy, without preconceived preferences.

► In the event of a disagreement between the Strategic Objective Team and the Agreement Officer that cannot be resolved through discussions, the Agency Procurement Executive in USAID/Washington has the authority to make the final determination. (*The 1978 OMB guidance specifically requires (Sec. D) that decisions between assistance and procurement be "made or renewed at a policy level."*)

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### **Sample Concerns and Requests for More Sources and Resources**

**As a strategic objective team, when do we choose between assistance instruments (grant or cooperative agreement) and procurement contracts?**

As soon as the team has decided on its results package; And the team is ready to respond to the following series of questions: What is the principal purpose of the transaction? Is it to accomplish a public purpose of support or stimulation authorized by Federal statute? If so, how much substantial involvement is expected between the recipient and the Strategic Objective Team when carrying out the activity contemplated in the agreement? Or is the principal purpose acquisition of property or services for the direct benefit or use of the Federal Government?

**We have several registered non-governmental organizations (NGO) that have existing relationships in-country but have limited resources. How do we choose which NGO can best produce results that are aligned to USAID's strategic objectives? What are the competition requirements related to choice of recipients for grants and cooperative agreements?**

It is USAID policy to compete all grants and cooperative agreements. Competition is defined as being met when the requirement has been announced and award was made following an impartial review and evaluation of all applications received. USAID shall announce its assistance requirements by publishing an Annual Program Statement (APS) or a Request for Applications (RFA). APS and RFAs shall be posted on the USAID Internet Site, as well as in local publications, Mission Bulletin Boards or local websites.

**Our team knows of only one NGO with an existing relationship and with predominant capability in achieving the results we want. Can we waive competition requirements? What are the other instances when we can waive competition requirements?**

"Competition is not required for the following categories of assistance awards:

- a. amendments to existing assistance awards;
- b. follow-on awards intended to continue or further develop an existing assistance relationship;
- c. awards based on unsolicited applications, provided that the Strategic Objective/Results Package team

or the head of the Operating Unit certifies that the proposals were not solicited by USAID; that they are unique, innovative, or proprietary; and that they represent appropriate use of USAID funds to support or stimulate a public purpose;

d. awards for which one recipient is considered to have predominant capability based on experience, specialized facilities or technical competence, or an existing relationship with the cooperating country or beneficiaries; and

e. situations which the cognizant Assistant Administrator, or the Office Director who reports directly to the Administrator, deem to be critical to the objectives of the foreign assistance program.

**Where can I find the Code of Federal Regulations, circulars and OMB-prescribed grants management standard forms? What about guides for best-practices?**

[PART 226--Administration of Assistance Awards to U.S. Non-governmental Organizations](#)

[Grant Management by OMB](#) contains circulars, OMB-prescribed grants management standard forms, current policy documents of interest to grants managers, and links to other sources of information, such as the Chief Financial Officer's Council Grants Management Committee.

[Guide to Doing Business With the AGENCY FOR INTERNATIONAL DEVELOPMENT](#)

[A Guide to Best Practices for Performance-Based Service Contracting](#)

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(Revised October 10, 1999)

# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK

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## What Are Assistance Instruments?

This page introduces the concept of assistance instruments, briefly describes its two categories (grants and cooperative agreements), and contrasts it, in broad-brush, with procurement contracts.

USAID commonly uses two main types of instruments to implement foreign assistance activities. These types are:

- assistance instruments--a collective term for grants and cooperative agreements; and
- procurement contracts.

Assistance instruments are characterized by the creation of **assistance relationships** between USAID and organizations or individuals (Recipients), pursuant to which USAID transfers funds or other items of value to accomplish a public purpose of support or stimulation authorized by federal statute.

- Both grants and cooperative agreements reflect assistance relationships. The difference between the two relates to the degree of involvement that USAID wishes to reserve in the performance of the Recipient's program.
- Procurement contracts, as opposed to assistance instruments, establish a procurement relationship in which USAID buys something for the direct benefit or use of the federal government.

[Back to "Choosing Between Assistance Instruments and Procurement Contracts."](#)

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# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK



## Writing Results-Oriented Program Descriptions

Some basic elements for writing results-oriented program descriptions for inclusion by USAID in a Request for Applications (RFA), or by a prospective Development Partner in an application in response to an RFA, are discussed below. There is currently no mandatory standard or required format for program descriptions. The elements in this section are based on examples from actual practice in results-oriented assistance today. There is no one right way to do this job, and all Strategic Objective Team members, including Development Partners, are encouraged to continue advancing the state of the art in this area.

While the elements in writing program descriptions are similar between USAID and the Development Partner, there are differences in how USAID and Development Partner will approach their tasks from an organizational perspective. The following icons are provided to distinguish between elements that must be articulated more appropriately by either USAID or the Development Partner.



USAID



Development Partners

Where there is no icon, both USAID and the Development Partner will need to craft a statement, albeit viewed from their respective organizational lenses.

When preparing a Request for Applications (RFA) or an application in response to an RFA, there will be other documentation needed in addition to the program description. For example, a budget and budget narrative is required. This page covers only the program description.

---

# I. Introduction, Abstract or Executive Summary

## ► Development Challenge

1. What is your understanding of the development challenge, opportunity, or problem?
2. How is this challenge linked to the Mission or Operating Unit's Strategic and Performance plans?

## ► Plan for Achieving the Results Package

1. How will the development challenge be met?
2. What are the intended results?
3. What activities, processes, or strategies are essential to achieve the results?

## ► Funding Amount

1. What is USAID's maximum funding amount for the RFA?
2. What is the total amount of USAID support being requested by the Applicant?



# II. Detailed Program Description

## ► More about the development challenge -- amplify the discussion of the opportunity or problem.

1. What political, social, economic, and environmental condition(s) of the **customers** require(s) changing? (And how do you know?) What appraisals, evaluations, customer needs analysis and other methodologies were used to understand what needs changing?
2. What political, social, economic, and environmental condition(s) of the **host country** require(s) changing? (And how do you know?) What appraisals, evaluations, customer needs analysis other methodologies were used to understand what needs changing?
3. Why is it important to change the condition(s) identified above?

## ► More about the plan for achieving the results package -- amplify the description of how the development challenge will be met.

1. What is the development hypothesis (**an interpretation of a practical situation or condition taken as the ground for action**)?
2. What are the intended results (**changes in condition of the customers or the host country**)?
3. How are these results related to one another?
4. How are these results related to the development challenge?

5. How will these results contribute to the achievement of the Mission or Operating Unit's intermediate results and/or strategic objectives?

6. What are the external factors and other critical assumptions that are likely to facilitate or hinder achievement of the results?

► Describe the processes, strategies, and activities that are deemed essential to achieve the planned results. *Note: Overly prescriptive input-related detail should be avoided, in order to preserve subsequent flexibility to adapt to changing circumstances "on the ground" during implementation of the activity.*

1. How will USAID and Development Partners work collaboratively?

2. What are others within USAID, the host country, Development Partners, and other donors doing?

3. Why will the planned work lead to the intended results?

4. What is the anticipated timetable for achievement of results?

► Describe plans to monitor and evaluate performance.

1. For each result, what is the performance indicator? What is the baseline data? What is the performance target? What is the timetable for achieving results?

2. For each performance indicator, what is the definition and what is the unit of measurement? What is the source of data? What is the plan for collecting and analyzing data?

3. For each performance target, is there an acceptable variation from the standard, and if so, what is it?

4. What are the plans for reporting and using performance information?

► Describe responsibility for performance.

1. What is the division of responsibility within USAID for achieving performance targets?



2. What is the division of responsibility between USAID, Development Partners, and other entities, if any?

► Describe the resources (human, facilities, money, and in-kind contributions) required to transform processes, strategies, and activities into results.

1. What is the total estimated amount of the activity (i.e. the aggregate amount of resources believed to be adequate to achieve the specified results)?

► How much financial and in-kind contributions is available from USAID?

► How much financial and in-kind contributions (generally a percentage of the total estimated activity amount) will be required to be cost-shared or borne by Development Partners, sub-impementors, and other donors?

- ▶ Are there expected resources from the host country government?
- 2. What are the critical assumptions that will facilitate or hinder achievement of result(s)?
- 3. What human resource requirements are needed from the USAID staff, including the core Strategic Objective Team?



### III. Conclusion, summary statement

In addition to the above, a Development Partner will need to address the following, either as a separate section or woven into the application:



- ▶ Why is the organization the best Development Partner to meet the challenge?
- ▶ What did the Development Partner do in the past that will demonstrate capacity to meet the challenge?
- ▶ What results are being achieved by the Development Partner in similar areas?
- ▶ What is the Development Partner contributing to the development challenge?

#### Examples of results-oriented RFAs

[USAID/PVC RFA Examples](http://www.info.usaid.gov/hum_response/pvc/rfa.html) [http://www.info.usaid.gov/hum\\_response/pvc/rfa.html](http://www.info.usaid.gov/hum_response/pvc/rfa.html)

[USAID/Ghana: Primary Education Sector](http://www.kelp.org/usgov/ghana.html)  
<http://www.kelp.org/usgov/ghana.html>

#### Other useful tools

[Writing User Friendly Documents](http://www.blm.gov/nhp/NPR/pe_toc.html)  
[http://www.blm.gov/nhp/NPR/pe\\_toc.html](http://www.blm.gov/nhp/NPR/pe_toc.html)

The Plain Language Action Network (PLAN) asks "how can we be better writers?" PLAN is a government-wide group working to improve communications from the federal government to the public. PLAN believes that the most important writing goals are to: engage your reader, write clearly, and write in a visually appealing style.

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Administering  
Results-Oriented  
Assistance Inst.



Monitoring and  
Evaluating  
Performance

## Awarding

## Results-Oriented Assistance Instruments

Once USAID has decided to fund a specific activity through an assistance instrument, and has prepared a results-oriented program description for the activity, the pre-award phase of the assistance process begins. This phase, which culminates in execution of a grant or cooperative agreement, centers on the selection of a Development Partner. It is a crucial stage that lays the groundwork for effective program implementation and the successful achievement of results.

## Competition

Competitive award of grants and cooperative agreements is encouraged but not required by **statute**. (Federal Grant and Cooperative Agreement Act of 1977, particularly 31 U.S.C. 6301.)

However, USAID **policy** on competition in assistance awards (codified in [ADS Chapter 303](#)) is as follows:

- ▶ Competition is required by USAID **policy** unless an exception is authorized. (ADS 303.5.5a1.)
- ▶ USAID generally seeks to ensure maximum competition by inviting applications from all eligible entities. (ADS 303.5.5a4.)

## Exceptions to Competition

Although competition is often beneficial, its appropriateness in an individual case depends on the facts and circumstances applicable to that case.

See GAO, II Principles of Federal Appropriations Law, 2nd Ed. (1992), pp. 10-15 - 10-17; Dembling and Mason, Essentials of Grant Law Practice (ALI ABA, 1991), pp. 27-28; Feinglass, "Issue Paper on Competition," in OMB, Managing Federal Assistance in the 1980's (1980).

Accordingly, whether or not to compete a particular grant or cooperative agreement is a matter to be determined on a case-by-case basis.

USAID **policy** recognizes the following categorical exceptions to competition:

- ▶ An amendment or follow-on for the same activity, or to further develop an existing assistance relationship. (ADS 303.5.5d1.)
- ▶ An unsolicited application that "demonstrates a unique, innovative, or proprietary capability, represents appropriate use of USAID funds to support or stimulate a public purpose, and fits within an existing strategic objective." (ADS 303.5.5d2.)
- ▶ Cases of exclusive or predominant capability of the recipient based on "proprietary capability, specialized facilities or technical expertise, or based on an existing unique relationship with the cooperating country or beneficiaries ." (ADS 303.5.5d3.)
- ▶ A small award (estimated to total \$50,000 or less, for a year or less). (ADS 303.5.5d4.)
- ▶ In such other circumstances as are determined to be critical to the objectives of the foreign assistance program (based on a determination by a USAID Assistant Administrator or Office Director who reports directly to the USAID Administrator). (ADS 303.5.5d5.)

For the detailed procedures required to invoke each of these exceptions, see ADS E303.5.5d.

The exceptions are fully authorized and available for use. However, their use must be justified by the existence of special circumstances meeting the criteria specified. Given USAID's basic policy of requiring competition, potential Development Partners who seek to invoke an exception--for example, in connection with an unsolicited application--must keep in mind that the burden will be on them to support their request.

## Key Steps in the Competitive Award Process

Broadly speaking, there are four key pre-award procedures, or steps, for competitively awarded assistance instruments:

[Step 1](#): Public notice and solicitation of applications by USAID.

[Step 2](#): Preparation and submission of applications by potential Development Partners.

[Step 3](#): Evaluation of applications and selection of a prospective awardee by USAID.

[Step 4](#): USAID pre-award evaluation.

Each of these steps is similar to the comparable pre-award procedures for competed procurements. To summarize each of the four steps briefly:

## Step 1: Public Notice and Solicitation of Applications.

- ▶ Like all federal agencies, USAID is required by regulation (a requirement imposed by the Office of Management and Budget) to notify the public of its intended funding priorities for discretionary grant programs. See 22 CFR 226.11(b).

- ▶ In connection with competitive assistance programs, USAID generally complies with this requirement and secures competition through the following two methods of "advertising" or soliciting applications:

- (A) An Annual Program Statement ("APS"), when "USAID intends to support a variety of creative approaches by the non-governmental community to develop their own methodologies in assessing and/or implementing activities which are in keeping with strategic objectives." See ADS 303.5.4a.

- (B) A Request for Applications ("RFA"), used when USAID "intends to support a specific type of activity or methodology in keeping with strategic objectives." See ADS 303.5.4b.

- ▶ Solicitations are published on the Internet (except for those specifically designed for local organizations, which are to be advertised locally instead). See ADS E303.5.4.

## Step 2: Preparation and Submission of Applications

- ▶ Except for programs that exclusively involve local organizations, USAID now requires utilization of the standard government-wide application form, "Application for Federal Assistance" (SF-424). A copy of this form is available on the USAID Website (click "Business & Procurement," then "USAID Procurements," then "Current Forms for USAID Solicitations").

- ▶ USAID requires that all applications include at least the following: "a narrative describing the proposed activity including objectives of the project, applicant's plan for carrying it out

and qualifications of the applicant...as well as a narrative supporting the budget." See ADS 303.5.6.

► In addition, when preparing an application for submission to USAID pursuant to a competitive assistance award procedure, prospective Development Partners should exercise great care (just as they would in connection with a Request for Proposals in the procurement context) to:

- (A) follow the instructions contained in the APS or RFA, as applicable,
- (B) keep the stated evaluation or funding criteria in mind at all times, and
- (C) fully address all substantive areas the solicitation requires to be addressed.

## Step 3: Evaluation of Applications and Selection of a Prospective Awardee

► USAID is required to review and evaluate all applications received in response to an APS or RFA, as applicable, according to the evaluation criteria stated. At a minimum, these criteria include technical merit, cost effectiveness/cost realism, and past performance of the applicant. See ADS 303.5.5b.

► Evaluation must be conducted on an impartial basis according to the detailed standards and procedures specified in ADS 303.5.5c and the individual solicitation.

► The results of the evaluation must be recorded in writing. The record must include a comparison of each application against the specific evaluation criteria. The results can be expressed either as a score or a narrative; if a score used, a short explanation of the strengths and weaknesses of the application must be provided, as well. See ADS E303.5.5c.

## Step 4: Pre-Award Evaluation

► The USAID Agreement Officer is required to conduct an evaluation of the proposed recipient prior to award. The purpose of the pre-award evaluation is to determine that the proposed recipient can effectively implement and properly administer the program.

► Pre-award evaluations are often done on an informal "desk survey" basis, but for first-time recipients and in certain other cases, USAID may decide to establish a team and perform a formal survey. The members of the team are specified in ADS E303.5.9a.

► USAID may require that an audit be performed in connection with a formal survey.

► The survey team issues a report based on their findings. The Agreement Officer uses this report to decide whether the proposed Development Partner is "responsible" in five respects. See ADS E303.5.9a)2a-e.

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Related Links:

[Policy Principles](#) for Award of Assistance Instruments to PVOs and NGOs for Development and Humanitarian Assistance (5/02/97)

Issuance of USAID [Competitive Procedures](#) for Grants and Cooperative Agreements (5/22/95)

Note to USAID Development Partners: Directives and updates for USAID rules and policy documents are also available by subscription from USAID's IRM Office.

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(Revised October 10, 1999)

# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK



Defining Results-  
Oriented Assistance  
Instruments

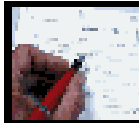
## Administering Results-Oriented Assistance Instruments



Planning Results-  
Oriented Programs



Choosing Results-  
Oriented Assistance  
Instruments



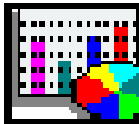
Writing Results-  
Oriented Program  
Descriptions



Awarding Results-  
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Instruments



Administering  
Results-Oriented  
Assistance Inst.



Monitoring and  
Evaluating  
Performance

"Award administration encompasses all the dealings between USAID officials and the recipient from the time the award is made until the end of USAID support. The specific nature and extent of administration will vary from award to award in the normal exercise of Federal stewardship responsibilities. It can range from reviewing and analyzing performance reports, performing site visits to a more technically developed substantial involvement by USAID under a cooperative agreement." (ADS 303.5.13)

The **Recipient** "is responsible for implementing the program in accordance with the terms and conditions of the award and all applicable USAID regulations." (ADS 303.3.4)

The Cognizant Technical Officer (CTO) and the Agreement Officer (AO) share oversight of an assistance award. The functions are closely related and shall not be performed in isolation. (ADS 303.5.13) It is essential that the CTO and the AO work as a team in order to effectively administer assistance instruments (See ADS E303.5.13)

**An Agreement Officer (AO) shall:**

- ▶ "serve as the mandatory control point of record for all official communication that would constitute an amendment to the award"
- ▶ "provide for the continuing oversight of the financial management aspects of the award"
- ▶ "request or arrange for special audits", when deemed necessary
- ▶ "determine that the award does not contain administrative approvals which are in conflict with the above stated regulations and policies"
- ▶ "be responsible for all award suspension and termination actions"

(See ADS E303.5.13)

**A Cognizant Technical Officer (CTO) shall:**

- ▶ "receive copies of all performance and financial status reports for adequacy and responsiveness"
- ▶ "keep the Agreement officer informed on recipient performance"
- ▶ "request the Agreement Officer take necessary action where reports are not received, are determined to be inadequate, or a problem is apparent"
- ▶ "submit copies of status reports as required by the Mission Director or Bureau DAA to the Agreement Officer"
- ▶ "prepare internal USAID documentation to the satisfaction of the Agreement Officer"

(See ADS E303.5.13)

**What are the roles and responsibilities of an Agreement Officer?**

As a member of the Strategic Objective/Results Package team, "the Agreement Officer bears the legal responsibility for the award and therefore, only the Agreement Officer can take action to enter into, change or terminate the award on behalf of USAID." (ADS 303.3.3a) The Agreement Officer is responsible for ensuring that USAID exercises prudent management over assistance funds by (see ADS 303.3.3a)

- ▶ "Interpreting USAID's assistance policies and procedures and coordinating with the SO Team, applicants and recipients to ensure consistency of interpretation."
- ▶ "Determining the appropriate type of instrument to be used in accordance with ADS 304."
- ▶ "Guaranteeing the integrity of the competitive process by: (1) approving the Annual Program Statement or the Request for Application prior to publication; and (2) obtaining a written evaluation report from the competitive review panel asserting that the review and evaluation of all proposals was in keeping with USAID policies and procedures."
- ▶ "Making a responsibility determination regarding a potential recipient's management competence in implementing a planned activity."
- ▶ "Developing the instrument which sets out the results that the recipient plans to achieve and all understandings between USAID and the recipient."
- ▶ "Negotiating costs in the financial plan of the award meet OMB and USAID standards" by: (a) requiring the CTO to confirm the necessity of certain costs; (b) conducting a comprehensive cost analysis; and (c) discussing the cost analysis and supporting information in a Negotiation Memorandum.

▶ "Assuring that there no restrictions in the award that go beyond the provisions of the applicable OMB Circulars, USAID Regulation 26, or applicable Standard provisions, unless a deviation has been approved."

▶ "Processing necessary deviations."

▶ "Executing the award."

▶ "Preparing and executing amendments to awards as necessary."

▶ "Initiating actions when terminations or suspensions are necessary."

▶ "Maintaining the official Agency files for each grant or cooperative agreement."

### **What are the roles and responsibilities of the Cognizant Technical Officer?**

As a member of the Strategic Objective/Results Package team, the Cognizant Technical Officer is responsible for ensuring that USAID exercises prudent management over assistance funds by:

▶ "Preparing competitive announcements or writing a justification for an exception to competition."

▶ "Conducting the process of technical selection of recipients, including performing a past performance review and conducting a cost realism analysis."

▶ "Determining if the applicant's program description is responsive to a published USAID competitive notice or is otherwise in keeping with established USAID strategic objectives."

▶ "Recommending the expected level of cost sharing in accordance with specific program requirements."

▶ "Processing all necessary internal USAID authorization papers to request that the Agreement Officer consider awarding a grant or cooperative agreement to a selected recipient."

▶ "Assisting the Agreement Officer in determining the potential recipient's level of technical and managerial competence."

▶ "Monitoring and evaluating the recipient and the recipient's performance during the award by: maintaining contact including site visits and liaison with the recipient; reviewing and analyzing all performance and financial reports; assuring compliance with the terms and conditions of the award; carrying out all responsibilities as delegated by the Agreement Officer in the Schedule of the award or noted under the "Substantial Involvement" section of Cooperative Agreements; promptly notifying the Agreement Officer of any developments which could have a significant impact on the award; and preparing internal documents to support amendments to the award."

▶ "Evaluating the recipient's program effectiveness at the end of the program and submitting a final report to the Agreement Officer."

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(Revised October 10, 1999)

# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK



Defining Results-  
Oriented Assistance  
Instruments

## Monitoring and Evaluating Performance



Planning Results-  
Oriented Programs

**PERFORMANCE MONITORING:** A process of collecting and analyzing data to measure the performance of a program, process, or activity against expected results. A defined set of indicators is constructed to track the key aspects of performance. Performance reflects effectiveness in converting inputs to outputs, outcomes and impacts (i.e., results). (ADS Chapters 201, 202, 203)



Choosing Results-  
Oriented Assistance  
Instruments



Writing Results-  
Oriented Program  
Descriptions

**PERFORMANCE MONITORING PLAN:** A detailed plan for managing the collection of data in order to monitor performance. It identifies the indicators to be tracked; specifies the source, method of collection, and schedule of collection for each piece of datum required; and assigns responsibility for collection to a specific office, team, or individual. At the Agency level, it is the plan for gathering data on Agency goals and objectives. At the Operating Unit level, the performance monitoring plan contains information for gathering data on the Strategic Objectives, Intermediate Results and critical assumptions included in an operating unit's results frameworks. (ADS Chapters 201, 202, 203, 250)



Awarding Results-  
Oriented Assistance  
Instruments



Administering  
Results-Oriented  
Assistance Inst.



Monitoring and  
Evaluating  
Performance

**EVALUATION:** An analytic effort undertaken selectively to answer specific management questions regarding USAID-funded programs or activities. In contrast to performance monitoring, which provides ongoing structured information, evaluation is occasional. Evaluation focuses on why results are or are not being achieved, on unintended consequences, or on issues of interpretation, relevance, effectiveness, efficiency, impact, or sustainability. It addresses the validity of the causal hypotheses that underlie Strategic Objectives and that are embedded in results frameworks. Evaluative activities may use different methodologies or take many different forms, e.g., ranging from highly participatory review workshops, to highly focused assessments relying on technical experts. (ADS Chapters 201, 202, 203)

## Steps in monitoring and evaluating performance

[Step 1](#): Begin with a plan for monitoring and evaluating performance and for reporting and using performance information.

[Step 2](#): Gather and analyze performance information.

[Step 3](#): Unpack the results review and and resource request (R4) concepts.

[Step 4](#): Maintain flexibility in ensuring accountability for performance.

## Step 1: Begin with a plan for monitoring and evaluating performance and for reporting and using performance information.

- ▶ Review [Planning Programs: Monitoring and Evaluating Performance and Reporting and Using Performance Information](#).










## Step 2: Gather and analyze performance information.

- ▶ Analyze performance data for individual indicators or groups of related indicators.
- ▶ Disaggregate data as pertinent to the indicators (by gender, race, age, location, etc.).
- ▶ Compare actual performance data with baseline, past performance over the period of time deemed relevant, planned or targeted performance, or other relevant benchmarks.
- ▶ Analyze relationships among performance indicators.
- ▶ Evaluate why certain performance targets are being met and why some are not being met.

## Step 3: Unpack the concepts in USAID's results review and resource request (R4).

- ▶ Understand the elements of a good R4.

	Elements of a good R4 report
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<p>A good R4 report</p>	<ul style="list-style-type: none"> <li> Focuses on results and accomplishments</li> <li> Assesses performance over the past year, using established indicators, baselines and targets;</li> <li> States explicitly whether and how much progress or results surpassed, met, or fell short of expectations, and why;</li> <li> Specifies actions to overcome problems and accelerate performance, where necessary;</li> <li> Explains the influence of comparative performance by objectives on the resource request;</li> <li> Addresses gender issues in the analysis of program performance</li> <li> Integrates all funding sources, including food aid and where appropriate, links relief and development;</li> <li> Identifies the need to adjust resource allocations, indicators, or targets, where necessary;</li> <li> Discusses prospects for successful country closeout or graduation, particularly for country programs that will close during or immediately following the R4 reporting period.</li> </ul>
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- ▶ Write a good results review using the following outline based on R4 guidance.

### Part 1: Overview and Factors Affecting Program Performance.

- ▶ Describe any significant changes in the society, political system, economy, or other aspects of the broader development context (e.g., social and political conflict and human rights violations) over the past year which might have caused an organization to change or eliminate an objective or that might account for poor performance.
- ▶ Include an assessment of the effects any of the changes noted above may have on the organization's ability to achieve Agency objectives and address issues related to the prevention and mitigation of conflict and post-conflict transitions.
- ▶ State when no significant changes have taken place or are expected to occur.

### Part II: Results Review by Strategic Objective.

**Summary:** What are your intermediate results? How are these linked to Mission SOs? What is the link between your results and intermediate customers?

### Key Results

- ▶ State your self-assessment of your results as either on-track, exceeding expectations, or not meeting expectations. Add a brief explanation for mixed performance, where progress was on track or better, and progress on others that didn't meet expectations.

## Performance

- ▶ Support the performance rating with **any** of the following where applicable:

Interpret significant trends to provide context for the past year's performance.

Highlight differences between planned and actual performance and identify reasons for these variations.

Cite evaluation findings and customer feedback that help to understand factors underlying performance.

Provide other evidence of progress, including results at the output level, proxy indicators, anecdotal material, or qualitative discussion.

Discuss problems with established performance measures (unrealistic targets, changes in key assumptions).

- ▶ Address **any** of the following policy interests where applicable:

Describe how customer feedback influenced the Operating Unit's thinking on accomplishing the objective.

Describe how partnerships influenced performance or achievement of results.

Describe how other Donor programs influenced performance or achievement of results.

Describe how Title II, Title III, and IDA resources contribute to the achievement of an objective.

## Prospects

- ▶ Assess prospects for achieving targets over the next few months and/or years.
- ▶ Discuss completed actions or planned actions to correct problems of lagging performance.
- ▶ Identify intermediate results that will be achieved.
- ▶ Discuss prognosis for achieving the objective within the approved strategy, time period, and resource levels or the prognosis for adjusting the objective.

## Performance data tables

- ▶ Include a performance data table for each Strategic Objective and all intermediate results linked to the Strategic Objective.
- ▶ Include approved indicators, baseline values, performance targets, and actual performance for the Strategic Objective and the intermediate results. NOTE:

Choose only 3-4 indicators that are most useful in indicating achievement.

- ▶ Add qualitative interpretation to quantitative data. Include information on whether and how the reliability of performance data provided by others has been assessed, plans to verify and validate performance data, and significant data limitations and their implications for measuring performance results against anticipated performance targets.

### **Possible Adjustment to Plans**

- ▶ Indicate possible adjustment to plans.
- ▶ Indicate plans for evaluation, where contributing factors are not well understood.

## **Step 4: Maintain flexibility in ensuring accountability for performance.**

Failure to reach specific performance targets, or to achieve particular results, may be due to a wide variety of reasons. Ascertainment of the facts, as well as thorough and objective analysis based on these facts, is required. Determination of what types of actions are appropriate in an individual case must be based on a comprehensive and accurate assessment of the situation.

Some of the reasons that stated targets are not met or agreed results are not achieved are within the responsibility and control of USAID or a Development Partner. Others are not. For example, changes in political, social, economic, or other circumstances may occur. These events may render previous assumptions invalid, or performance as originally intended impossible or impracticable.

The challenge for USAID and its Development Partners--as partners--is to work together, in an open and transparent way, to figure out the reasons why. This is a collaborative undertaking, not a "blame game" or a search for someone to "punish." In some instances, USAID may wish to seek additional information or secure an independent evaluation for use in its deliberative process.

In appropriate cases, where the failure to achieve agreed targets or results is determined to be substantial and the causes are within the reasonable responsibility and control of the Development Partner, the Activity Manager or SO Team should discuss the matter with the cognizant USAID Agreement Officer. The Agreement Officer, in consultation as necessary with legal counsel, may consider a number of actions. These alternatives form a spectrum of responses that can be tailored to fairness and the interests of the foreign assistance program in each case.

Among the available responses are:

- ▶ Cooperative efforts: USAID may choose to work with the recipient to find cooperative and mutually beneficial ways to address the root causes of the problem. For example, it may request that the workplan--and, if necessary, the assistance instrument itself--be modified to adjust the program, budget, or funding period. This adjustment may add resources or funds for more personnel where the previous funding or staffing level is deemed to have been inadequate, or cut back a program that is not working well.
- ▶ Limiting future funding or extensions: USAID may choose not to add funds to the assistance award in the future, or to decline or limit any requested extensions.
- ▶ Noncompliance remedies: USAID may determine that the Recipient is in noncompliance

with its responsibilities under the pertinent grant or cooperative agreement, and may invoke any of the five "enforcement" measures described in 22 CFR 226.62(a).

► Suspension or termination: USAID may choose to suspend or terminate an award for cause in certain circumstances. See 22 CFR 226.61.

The potential scope of these remedial actions is quite broad, and they can and should be flexibly applied. Like the analogous recourses available under procurement contracts, however, they have serious consequences, and should only be considered when appropriate.

Effective administration of a USAID assistance instrument is not something that occurs only at the end of an award or funding period. Rather, USAID monitoring and evaluation, like that of a Development Partner, is an ongoing effort. Periodic reports, when rigorously prepared and submitted and reviewed in a timely manner, can--together with other normal contacts between USAID and the Recipient--identify emerging obstacles and problems while performance is still occurring. This will permit the Recipient to initiate prudent adjustments to the program, subject to USAID approvals in the situations specified in USAID's Regulation 26, and subject to other USAID action (for example, processing an amendment) when necessary.

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## Examples of monitoring and evaluating performance:

[Slide show on performance monitoring and evaluation](#)

[Slide show on program performance measurement systems](#)

CDIE's [Performance Monitoring and Evaluation Tips](#)

[CDIE's Conducting a Participatory Evaluation](#)

The Nature Conservancy's (TNC): TNC's [Performance Monitoring Plan](#) for the Strategic Objective (Protection of selected LAC parks and reserves important to conserve the Hemisphere's biological diversity) is attached as an acrobat file (pdf). [The free Adobe(R) Acrobat(R) Reader allows you to view, navigate, and print PDF files.]



The Nature Conservancy (TNC): TNC's [Performance Monitoring Table](#) for the Strategic Objective (Protection of selected LAC parks and reserves important to conserve the Hemisphere's biological diversity) is also attached as an acrobat file (pdf).

National Council of Negro Women (NCNW): NCNW/Egypt manages an Umbrella Management Institute (UMI), PVO Development Project in Egypt. Through UMI, NCNW has provided training, technical and financial assistance to its intermediate customers - across the whole spectrum of civil society organizations (CSOs) in Egypt. NCNW has emphasized the formation of strategic partnerships between US PVOs and Egyptian CSOs and the promotion of citizen participation in planning, implementing, monitoring, and reporting on results of development initiatives. Look here for a copy of [NCNW's 1997 Annual Results Review](#). [If you don't have Microsoft Word, [download Microsoft Word Viewer 97](#) which allows copying information to other applications.]

USAID's Bureau for Europe and the New Independent States, Office of Democracy and Social Reform has developed an [NGO Sustainability Index](#) (1977). The Index gauges the

strength of the NGO sector in the transition societies of East Central Europe and the New Independent States.

USAID/South Africa, in partnership with the Human Sciences Research Council and U.S. and South African PVOs, has developed a guide for the [assessment of organizational capacity](#). The main purpose of the guide is to provide NGOs with a framework for the systematic evaluation of their organizational processes, structures, systems and skills. It is designed to help them to identify and understand their strengths and weaknesses and to enable them to develop strategies to improve their organizations' capacity.

USAID's Office of Private and Voluntary Cooperation, PACT, and Educational Development Center has developed [Discussion-Based Organizational Self- Assessment](#) which is a tool, a process, and a service.

[The Inter-American Foundation \(IAF\)](#): Based on the tenets of participation, empowerment, and sustainability, IAF developed the Foundation's Grassroots Development Framework which considers an integrated view of results at the individual level, the organizational level, and the societal level.

[The African Development Foundation \(ADF\)](#): Building upon ADF's participatory evaluation model of the past ten years, ADF has integrated its project monitoring, participatory evaluation, and program performance assessment to enhance program impact and to increase operational efficiency and effectiveness.

[Sustainable Seattle](#): The Sustainable Seattle Network developed a consensus definition of sustainability--long-term health and vitality -- cultural, economic, environmental and social. Through consensual decision-making and a shared leadership process, and the participation of diverse from the public and private sector, indicators were identified that seemed most useful in providing a snapshot of community sustainability.

[Oregon Benchmarks](#): The Oregon Benchmarks help decision-makers analyze trends and problems, and identify priorities for the period ahead. The benchmarks are used at the statewide level to assess progress toward broad strategic objectives. Leaders in Oregon have used the benchmarks to reset priorities and adapt and modify programs as they learn what works.

[Canadian International Development Agency \(CIDA\)](#): "The Geographic Programs Road Map" is a guide for Project Managers who are engaged in the formulation of concept papers; results and risks in the approval process; appraisal, design and approval; implementation, monitoring, and control; and project design and analysis.

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(Revised October 10, 1999)

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# Planning Monitoring and Evaluating Performance and Reporting and Using Performance Information

Monitoring and evaluating performance begins with an assessment of where the customers are right now (baseline) and measurement of progress towards targets over time. Based on CDIE's Performance and Monitoring Tips, particularly Preparing a Performance Monitoring Plan (No. 7,1996), here are the planning elements necessary for monitoring, evaluating, reporting, and using information on performance.

## 1. Performance indicators and their definitions.

- ▶ Define each performance indicator carefully. Be precise about all technical elements of the indicator statement.

Consider this indicator: the number of small enterprises receiving loans from the private banking system. How are small enterprises defined -- all enterprises with 20 or fewer employees, or 50 or 100? What types of institutions are considered part of the private banking sector -- credit unions, government-private sector joint-venture financial institutions?

- ▶ Include in the definition the unit of measurement. Provide enough detail to ensure that different people at different times, given the task of collecting data for a given indicator, will collect identical types of data.

Consider an indicator for the value of exports. Will the value be measured in current or constant terms? In U.S. dollars or local currency?

## 2. Data source

- ▶ Identify the data source for each performance indicator. Data sources may include government departments, international organizations, other donors, NGOs, private firms, USAID offices, contractors, or activity implementing agencies. Be as specific about the source as possible, so that the same source can be used routinely. This will ensure consistency and avoid misinterpretations.

Consider this: What will happen if a switch is made from estimates of infant mortality rates based on national sample surveys to estimates based on hospital registration statistics? It can lead to false impressions of change.

- ▶ Plans may include needs and means for strengthening the capacity of a particular data source to collect needed data on a regular basis, or for building special data collection efforts into USAID activities.

## 3. Method of data collection

- ▶ Specify the method or approach to data collection for each indicator. Provide sufficient detail on the data collection or calculation method to enable it to be replicated in the future.

Consider the trade-offs between primary data collection and reliance on

existing secondary data

For primary data collection, consider: the unit of analysis (individuals, families, communities, clinics, wells); data disaggregation needs (by gender, age, ethnic groups, location); sampling techniques for selecting cases (random sampling, purposive sampling); and techniques or instruments for acquiring data on these selected cases (structured questionnaires, direct observation forms, scales to weigh infants).

For secondary data from existing sources, consider that quality may not be as reliable as primary data cuts costs and efforts.

## 4. Frequency and schedule of data collection

- ▶ Gather comparable data periodically to measure progress. How frequent the collection should be depends on the data being gathered. For example, collect fertility rate data from sample surveys every few years because of the expense and because changes are slow; collect data on contraceptive distributions and sales from clinics' or other outlets' record systems quarterly.

## 5. Responsibilities for acquiring data

- ▶ Assign responsibility to a particular office, team or individual for the timely acquisition of data from one or more sources for each performance indicator.

## 6. Data analysis plans

- ▶ Plan the analysis of performance data for individual indicators or groups of related indicators.

- ▶ Identify data analysis techniques and data presentation formats to be used.

Disaggregated data (by gender, race, age, location, etc.)

Comparison of actual performance data with:

- a) baseline and/or past performance,
- b) planned or targeted performance or
- c) other relevant benchmarks.

Analysis of relationships among performance indicators.

For example: How will a set of indicators (if there are more than one) for a particular Strategic Objective (SO) or intermediate result (IR) be analyzed to reveal progress? What if only some of the indicators reveal progress? How will cause-effect relationships among SOs and IRs within a results framework be analyzed? How will USAID activities be linked to achieving IRs and SOs?

## 7. Plans for complementary evaluations

- ▶ Plan what evaluation efforts (internal evaluation, external, collaborative or participatory) will be needed to complement information from the performance monitoring system.

## 8. Plans for reporting and using performance information

- ▶ Plan to use performance information to improve the performance, effectiveness, and design of existing development assistance activities.
- ▶ Revise Agency or operating unit strategies where necessary.
- ▶ Plan new Strategic Objectives, results packages and/or activities.
- ▶ Decide whether to abandon Agency program strategies, Strategic Objectives or results packages which are not achieving intended results.
- ▶ Document findings on the impact of development assistance.
- ▶ Plan, schedule, and assign responsibilities for internal and external reviews, briefings, and reports.
- ▶ Clarify what, how and when management decisions will consider performance information.

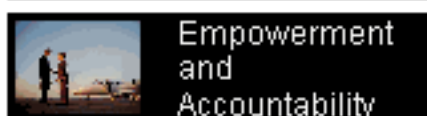
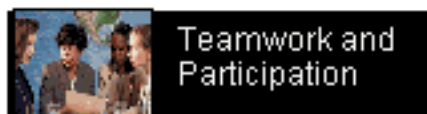
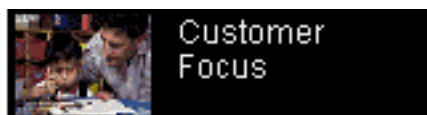
Specifically, plan for the following:

- ▶ Operating unit performance reviews.
- ▶ Assess progress toward achieving SOs and IRs.
- ▶ Assess if activities, processes, and strategies are supporting achievement of IRs and SOs.
- ▶ Help plan Results Review and Resource Requests (R4) preparation by scheduling tasks and making assignments.
- ▶ Plan for reporting and disseminating performance information to key stakeholders, such as host government counterparts, collaborating NGOs, other partners, donors, and customer groups.

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# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK



Related Sites

## Core Values

Five interrelated core values constitute the basic organizational precepts that define what USAID is and what it stands for.

▶ [Customer focus](#): USAID, more consistently and systematically, involves both partners and customers in strategic planning and performance measurement.

▶ [Managing for Results](#): USAID manages for results through a customer-driven, results-oriented strategic planning and performance measurement approach. This means setting clear objectives and targets, collecting adequate information to measure progress, and adjusting strategies and tactics as required, all in consultation with customers.

▶ [Teamwork and participation](#): USAID forms Strategic Objective Teams committed to the achievement of customer-focused results for which team members hold themselves individually and collectively accountable.

▶ [Empowerment and accountability](#): USAID invests its Strategic Objective Teams with authority to make and implement decisions that will produce results and with accountability for such decisions.

▶ [Diversity](#): USAID shows it values diversity in its work force.

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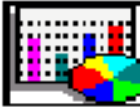
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# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK



Customer  
Focus



Managing for  
Results



Teamwork and  
Participation



Empowerment  
and  
Accountability



Diversity

Related Sites

## Core Value: Customer Focus

USAID defines its different types of customers as follows:

### ULTIMATE CUSTOMERS:

Customers: Individuals of every age, gender, and level of physical and/or mental ability who receive USAID services or products, benefit from USAID programs or who are affected by USAID actions, and whose participation is essential to achieving sustainable development results.

### INTERMEDIATE CUSTOMER:

A person or organization who:

- ▶ is internal or external to USAID;
- ▶ uses USAID services, products, or resources; and
- ▶ serves, directly or indirectly, the needs of ultimate customers.

### CUSTOMERS AS USAID PARTNERS:

An organization or customer representative who:

- ▶ works cooperatively with USAID;
- ▶ agrees to achieve mutual objectives; and
- ▶ is committed to securing customer participation.

### WHAT ABOUT STAKEHOLDERS?

Stakeholders are:

- ▶ U.S. individuals and groups who have an interest in USAID's programs and/or results, and who exercise authority over USAID resources. These include Congress, the Executive Branch and those who influence the American political process.
- ▶ Non-U.S. individuals or organizations with an interest in particular USAID activities or results in a country who are in a position to exercise significant influence over them. These would include host governments, local interest groups, other donors, and major partners.

Recognizing the importance and function of stakeholders, our processes will include mechanisms which meet their needs, while focusing on the end user or customer where our ultimate interests and objectives shall be achieved. For example, to improve the economic well being of disadvantaged farmers through a country program requires resources, and acquiring those resources necessitates meeting the needs of Congress for information which demonstrates that the program is effective and managed

efficiently. Also, the program requires some form of service delivery system, and establishing that may necessitate understanding and meeting the needs of the government and NGOs for technical expertise and infrastructure support. Thus, USAID's function is to play a key role within a network of stakeholders, including partners, (including partners) to ensure that customer needs are met. This means improved and more effective participation in our processes by customers as well as by partners and stakeholders.

## How does USAID maintain its focus on customers?

Each of USAID's Missions and Washington-based Operating Units must have a Customer Service Plan that:

- ▶ identifies customers and their needs;
- ▶ describes customers' participation in planning, achieving, and measuring and evaluating results; and
- ▶ articulates the link between intermediate customers and ultimate customers.

The Customer Service Plan helps clarify desired results with customers and ensures their commitment and support. If results are achieved and customers sustain the activities after USAID funding ends, then USAID assistance will have a lasting impact. The Customer Service Plan is integrated into the Strategic Plans and Performance Measurement Plans of each USAID Mission and Washington-based Operating Unit.

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### Related Sites:

For further detailed information, please check the following links.

[Agency's Customer Service Plan](#)

[A Partners' Consultation: Reengineering Relationships](#)

[NPR's Best-in-class practices](#) on customer-focused results-oriented assistance

[Conducting Customer Service Assessments](#)

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## Core Value: Managing for Results

USAID defines a **result** as:

- ▶ a change in the condition of a customer or a change in the host country condition which has a relationship to the customer; and,
- ▶ a change that is brought about by the intervention of USAID in concert with its Development Partners.

USAID's definition of results includes three key principles:

- ▶ Results that we aim for are determined by customer aspirations--along with the priorities of the Agency's stakeholders; customer feedback helps us keep on track in actually achieving them; and customer views inform how we judge their merit.
- ▶ Results are achieved at different levels -- the output level, the outcome level, the intermediate level, and the strategic objective level.
- ▶ Results are linked by causal relationships; i.e., a result is achieved because related, interdependent result(s) were achieved.

The results that are of interest to USAID, its customers and stakeholders are:

- ▶ **Strategic objective** -- the highest level result for which a USAID Operating Unit is held accountable.)
- ▶ **Intermediate results** -- those results which contribute to the achievement of a Strategic Objective and the highest level of result for which Development Partners are typically held accountable. (ADS Chapters 201, 202, 203)

# How does USAID manage for results?

The [Results Act \(GPRA\) of 1993](#) requires all Federal Agencies to establish a Strategic Plan and performance measurement system (made up of an annual performance plan and an annual performance report) to focus on the achievement of measurable results.

USAID works with Development Partners to achieve results consistent with the Foreign Assistance Act of 1961 and the Results Act of 1993.

USAID needs [partners](#) who:

- ▶ believe in USAID's mission, goals, and objectives;
- ▶ are focused on [customers](#);
- ▶ are oriented to [managing for results](#) (planning, achieving, and monitoring and evaluating performance);
- ▶ are willing to practice principles of [teamwork](#) and participation with USAID technical, procurement, and other support staff and with USAID's customers and stakeholders; and
- ▶ are [empowered](#) to make decisions and account for the results of those decisions.

USAID works in partner relationships with a variety of Development Partners through grants and cooperative agreements. For specific information on integrating managing for results with assistance instruments, please go to [Results-Oriented Assistance Instruments](#).

## Key Steps in Managing for Results

Broadly speaking, there are three key procedures or steps in managing for results (ADS 200, [Chapter 201](#), [202](#), and [203](#)):

[Step 1](#): Strategic Planning





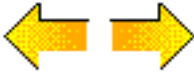
[Step 2](#): Achieving

[Step 3](#): Monitoring and Evaluating Performance

# Step 1: Strategic Planning

Strategic planning (ADS 201) is used in the management of Agency assistance programs to serve the following purposes:

- ▶ To ensure that the efforts of the Agency's operating units are directed toward achieving significant development impact in priority areas through a participatory process involving stakeholders, partners, and customers.
- ▶ To provide a structure which allows operating units to make program choices and effectively respond to evolving circumstances.
- ▶ To establish a framework for monitoring the progress and effectiveness of the Agency's programs in accomplishing its objectives and allocating Agency resources.

AGENCY		USAID MISSIONS AND OPERATING UNITS
USAID's Strategic Plan (1997-2007)		Country Strategic Plan Operating Unit Strategic Plan
Agency Strategic Framework		Results Framework
Agency Performance Plan and Congressional Presentation		Performance Monitoring, Evaluation, and Research Plan
Annual Performance Report to Congress		Annual Results Review and Resource Request (R4)

Strategic Plan

In consultation with Congress, the State Department, and other interested stakeholders, partners, and customers, the Agency has developed a Strategic Plan for its programs which:

- ▶ defines the broad strategic framework within which operating unit strategic plans will be developed;
- ▶ articulates what the Agency expects to achieve in facilitating sustainable development world-wide and by incorporating the needs of the Agency's customers;
- ▶ defines USAID goals and priority objectives which contribute to the Agency mission of sustainable development;
- ▶ establishes a basis for allocating resources against relevant factors (priority sectors, geopolitical considerations, country sustainable development needs, and desired Agency-wide results); and
- ▶ serves as the basis for presenting the Agency's programs and budget requests to Congress and the public.

The Agency Strategic Plan will be amended as necessary based on significant changes in U.S. national interests, geopolitical considerations, country and customer needs, progress or lack of progress in achieving Agency goals and objectives, and/or new technical knowledge in a sector.

## Strategic Framework

Along with the Agency Strategic Plan, the Agency has established an Agency strategic framework which graphically depicts the Agency's Strategic Plan. The framework:

- ▶ articulates the essence of the Agency strategic plan in graphic form;
- ▶ provides the framework within which operating unit strategic plans will be developed by laying out Agency goals and objectives;
- ▶ serves as a basis for tracking progress toward Agency goals and objectives;
- ▶ provides an organizing framework for periodic internal Agency strategy and performance reviews, including programming and budget allocation decisions; and
- ▶ serves as a basis for presenting information on the Agency's programs, budget requests, and performance to external audiences, including Congress.

## Components of the Strategic Plan

**Strategic Objective:** A strategic objective (SO) is the most ambitious result (intended measurable change) in a particular program area that a USAID Mission or Operating Unit, along with its partners, can materially affect and for which USAID is willing to be held responsible. The strategic objective forms the standard by which the operational unit is willing to be judged on its performance. The time-frame for the achievement of a strategic objective is typically 5-8 years for sustainable development programs, but may be shorter for programs operating under short-term transitional circumstances or in conditions of uncertainty. Each strategic objective shall be linked to one Agency goal.

**Strategic support objective (SSO):** A strategic support objective (SSO) is intended to capture and measure a regional or Agency-wide development objective which involves the achievement of various USAID operating units' individual strategic objectives, as well as important contributions by a central or regional bureau or an operating unit which has multi-country responsibilities, e.g., a regional mission.

**Special Objectives:** Under exceptional circumstances, a mission or office may include activities in its portfolio which could not be associated with existing operating unit objectives, but which produce results to support other U.S. Government assistance objectives. Special objectives may be justified if one or more of the following criteria are met:

- ▶ the activity is a response to a legislated earmark or special interest that does not meet the criteria for a strategic objective;
- ▶ it is a continuation of an activity initiated prior to the strategic plan which needs additional time for orderly phase-out;
- ▶ it is an exploratory/experimental activity in a new program area which merits further exploration or which responds to new developments in the country, region, or sector; or
- ▶ it is a research activity which contributes to the achievement of an Agency objective.

**Results Framework** for each objective.

The results framework must provide enough information so that it adequately illustrates the development hypothesis (or cause and effect linkages) represented in the strategy and therefore assists in communicating the basic premises of the strategy. The results framework shall include any key results that are produced by other development partners (e.g., partners such as nongovernmental organizations, the host country government, other donors, and customers).

Related Links:

[Agency Strategic Plan](#)

[If you don't have Microsoft Word, [download Microsoft Word Viewer 97](#) which allows copying information to other applications.]

Agency [Congressional Presentations](#) will have a summary of the strategic objectives of each Mission and Washington-based Operating Unit.

## Step 2: Achieving Results

Effective management of Agency development and humanitarian assistance programs and resources requires an emphasis on achieving results through team effort and customer focus (ADS 202). The principles of achieving results are:

- ▶ ensuring that the efforts of the Agency's operating units are directed toward achieving significant development impact in priority areas through a participatory process involving stakeholders, partners,

and customers;

- ▶ providing a structure which allows operating units to make program choices and effectively respond to evolving circumstances;
- ▶ emphasizing the accomplishment of results;
- ▶ identifying and meeting customer needs;
- ▶ promoting a teamwork approach, including U.S. Agency for International Development (USAID) staff, partners, and customers;
- ▶ providing a significant level of empowerment and accountability for those individuals and management units closest to the development and humanitarian problems being addressed; and
- ▶ promoting the regular collection and review of data and information related to performance resulting in the continuous improvement of the implementation of development assistance; the effectiveness of management decisions and processes; the means by which the Agency learns through its experience; and the ability of the Agency to meet accountability and reporting requirements.

## **STRATEGIC OBJECTIVE TEAM**

The operating unit shall establish a strategic objective team for each strategic objective, strategic support objective, and special objective defined in the approved strategic plan.

Related Link:

[USAID's core value: teamwork](#)

## **Step 3: Monitoring and Evaluating Performance**

Regular collection and analysis of data and information related to performance is essential in order to continuously improve:

- ▶ the planning and implementation of development assistance;
- ▶ the effectiveness of management decisions and processes;
- ▶ the means by which the Agency learns from experience; and
- ▶ USAID's ability to meet accountability and reporting requirements (ADS 203).

## **Results Results Review and Resource Request (R4) Report**

The results review section(s) of the R4 report must address the USAID Operating Unit's performance for the immediate past fiscal year, focusing on progress made towards achievement of the strategic objectives, strategic support objectives, and special objectives.

Related Link:

[Monitoring and Evaluating Performance](#)

[Agency Performance Report \(1996\)](#)

[Agency Performance Report \(1997\)](#)

## Agency Performance Report

Consistent with the Results Act 1993 (**GPRA**), the Agency shall prepare and submit, by March 31 of each year, a report to the President and Congress on the Agency's program performance for the previous fiscal year. The report must:

- ▶ review progress towards objectives over the past fiscal year;
- ▶ examine Agency plans for the current fiscal year relative to the performance achieved in the fiscal year covered by the report;
- ▶ when appropriate, explain why the objective was not met, describe plans and schedules for improving progress towards the established objective, and, if the objective is determined to be impractical or not feasible, explain why that is the case and what action is recommended;
- ▶ describe the use and effectiveness in achieving objectives of any waiver under section 9703 of the GPRA; and,
- ▶ include summary findings of evaluations, as deemed appropriate, completed during the fiscal year covered by the report .

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### Examples:

[Planning and Managing for Results Under Reengineering: Early Lessons from the Field](#)

[Managing for Results in a Regional Mission: USAID/Central Asia's Experience](#)

### Other Relevant Links:

Comparative [definitions](#) of results and performance

Highlights of the [GPRA: the Results Act](#)

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Related Sites

## Core Value: Teamwork and Participation

USAID defines teamwork as the coming together of a group of people who are:

- ▶ committed to achieving customer-focused results,
- ▶ vested with the authority to make decisions, and
- ▶ willing to be held accountable for results. Participation entails bringing individual skills and viewpoints to bear on the team's problem-solving and decision-making.

USAID has established Strategic Objective (SO) Teams to manage for results. SO Teams are made up of:

- ▶ a core team of USAID personnel (technical and support offices--controller, project development, and contracts office);
- ▶ Development Partners whose resources bear on achieving the SO;
- ▶ Stakeholders, from the U.S. and from local groups and individuals, who will be affected by achievement of the SO; and
- ▶ Customer representatives.

## How does USAID practice teamwork and participation?

USAID's [ADS 202](#) locates the responsibility for achieving the Agency's goals and strategic objectives in a Strategic Objective (SO) team. An SO Team includes a core team of USAID (technical, procurement, and support) staff who establish an expanded SO Team (Development Partners whose resources bear on achievement of the SO; Stakeholders, especially local groups and individuals who will be affected by achievement of the SO; and Customer representatives). The [SO Team](#) is responsible for planning, achieving, and measuring results. The responsibilities of the SO Team are defined in the ADS and summarized in the table below, which lays out the similarities and differences between the expanded team and the core team.

## SO Team Responsibilities

Responsibilities	Expanded Team	Core Team
Identify/evaluate development hypothesis and results framework	X	X
Analyze/report overall program performance against expected results	X	X
Recommend approaches and make adjustments in activities/results	X	X
Carry out inherently governmental functions		X
Carry out Agency responsibilities		
Maintain information on plans and status of activities		X
Create, modify, and disband results		X
Prepare activity, results package, and strategic objective close out reports		X
		X

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To see the full section from the [Automated Directive System \(ADS\) on the responsibilities of an SO Team](#).

[Building Teamwork in USAID's Dominican Republic Mission](#)

[Productive and Counterproductive Role Behaviors of Team Members](#)

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## Core Value: Empowerment and Accountability

To empower is to invest with official authority to make and implement decisions. Decisions are bound by organizational goals, Strategic Objectives, and intended results and by legal and ethical standards. Authority to make and implement decisions should be balanced by accountability for such decisions.

## How does USAID practice empowerment and accountability?

USAID has given a significant level of empowerment and accountability to those individuals and management units closest to the development and humanitarian problems being addressed.

USAID has invested its Strategic Objective (SO) Teams with:

- ▀ authority to make and implement decisions that will produce results, and
- ▀ accountability for such decisions (and results).

For a USAID or Development Partner project manager, accepting authority to make and implement decisions requires:

- ▀ the personal (and Team) capacity to do what is required for performance and accomplishment of results,
- ▀ willingness to accept personal responsibility,
- ▀ willingness to claim ownership of successes and failures, and
- ▀ willingness to make personal commitment to the Agency's ideals and principles.

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Related Sites:

For further detailed information, please check the following links:

[Building Teamwork in USAID's Dominican Republic Mission](#)

[Best practices](#) on empowerment and accountability from other organizations

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## Core Value: Diversity

**Valuing Diversity:** USAID is creating an environment where every employee is valued and accepted, where management practices are inclusive rather than exclusive, and where differences are not only accepted but utilized to strengthen Agency performance.

### WHY DOES USAID PLACE SUCH EMPHASIS ON A DIVERSE WORKFORCE?

Following the adoption of the first four core values, the Agency recognized that while each was critical to successfully doing business in the new way, there was a missing element. Because of USAID's multicultural workforce and diverse global customers, stakeholders and partners, the Administrator determined that the promotion of diversity should be added as a fifth core value.

USAID is dedicated to global improvement of the quality of human life. To deliver quality programs abroad, the Agency must ensure a workplace environment in which each employee values the diversity, experience, and contributions of others. Every employee must have the opportunity to contribute to the full extent of his or her ability.

It should also be noted that the Foreign Service Act of 1980 requires that the Foreign Service be representative of the American people. Further, equal opportunity law requires nondiscrimination in personnel practices as well as affirmative actions that will ensure fairness and representativeness in the workforce.

Regarding the effectiveness of USAID reengineering, our best efforts to create effective teams, to empower employees and to manage for results are undermined if USAID management does not operate in a diverse environment. It is a business necessity that team members have a common understanding of the value of diversity, and be able to recognize, accept and utilize human differences in working to meet customer needs.

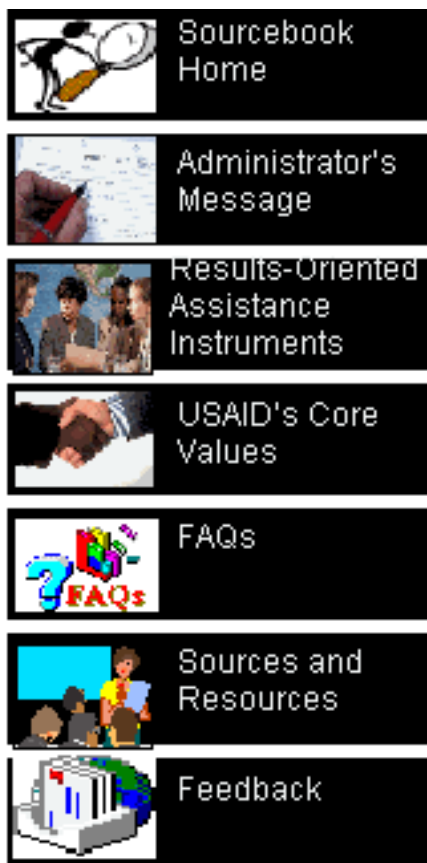
To this end, valuing diversity becomes a key core value, crucial to the successful execution of our functions. Continued success requires that USAID's workforce, in Washington and overseas, understand the synergy and benefits of bringing together people of different backgrounds and skills to accomplish the Agency's mission.

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# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK



## Frequently Asked Questions (FAQs)

[Defining Results Oriented Assistance](#)

[Planning Results Oriented Assistance](#)

[Choosing Results Oriented Assistance](#)

[Writing Results Oriented Assistance](#)

[Awarding Results Oriented Assistance](#)

[Administering Results Oriented Assistance](#)

[Monitoring and Evaluating Performance](#)

## Defining

### 1. What is a results-oriented (performance-based) assistance instrument: what are its necessary characteristics and features?

A results-oriented assistance instrument is a grant or cooperative agreement awarded to a Development Partner to achieve results that contribute to USAID's performance goals.

[Defining Results-Oriented Assistance.](#)

### 2. How is results-oriented assistance related to a performance-based grant?

The term "performance-based grants" has not been defined with legal precision. However, the term as commonly used seems basically the same as results-oriented assistance.

### 3. How is results-oriented assistance related to performance-based contracting?

The three key elements of results-oriented assistance are broadly similar to performance-based service contracting. For results-oriented assistance: the three elements are results-oriented program descriptions; performance measures; and responsibility for performance. For performance-based service contracts: the three main elements are performance-based work statements; quality assurance and surveillance plans; and

performance incentives and disincentives. From a technical viewpoint, the third element of results-oriented assistance, i.e., responsibility for performance differs from the comparable element of performance-based service contracts, i.e., performance incentives and disincentives, in that responsibility for performance is a broader and more general concept. Performance responsibility is comprehensive. Incentives and disincentives are monetary in nature and relate only to the fees paid to for-profit organizations under some contract types. The fundamental difference between the two is the classic distinction between procurement and assistance relationships. See FAQ (5), however, below. [\[Top\]](#)

## Planning

### **4. What are the steps in designing a good results-oriented assistance instrument?**

Results-oriented assistance is based on participatory Strategic Planning. Those who are most likely to be affected by or benefit from the assistance must participate in planning results-oriented assistance. Their input must be reflected in the following three steps:

- ▶ Step 1: Development of a results-oriented program description.
- ▶ Step 2: Establishment of a performance measurement system.
- ▶ Step 3: Determination of responsibility for performance.

[Planning results-oriented assistance.](#)

## Choosing

### **5. What are the U. S. Government's requirements related to the use of assistance instruments in managing for results?**

There is nothing in federal law or statute that indicates that the federal government can manage for results only by using a certain type of instrument. Government-wide, the focus on results is mandated by the Government Performance and Results Act (GPRA) of 1993. This Act permits use of assistance instruments to achieve results, but does not prescribe in detail how this may be done.

The use of assistance instruments is governed by the Federal Grant and Cooperative Agreement Act of 1977. Like the GPRA, this Act permits the use of assistance instruments to achieve results, but does not limit an agency's flexibility as to how this may be done.

Specifically for USAID, authority for the use of assistance instruments is contained in the Foreign Assistance Act of 1961, as amended (FAA Sections 621 and 635(b)).

FAA Section 621A.b reads as follows: "The President shall establish a management system that includes: the definition of objectives and programs for United States foreign assistance; the development of quantitative indicators of progress toward these objectives; the orderly consideration of alternative means for accomplishing such objectives; and the adoption of methods for comparing actual results of programs and projects with those anticipated when they were undertaken. The system should provide information to the agency and to Congress that relates agency resources, expenditures, and budget projections to such

objectives and results in order to assist in the evaluation of program performance, the review of budgetary requests, and the setting of program priorities."

### Choosing results-oriented assistance

## **6. When is it appropriate to use a grant or cooperative agreement, and how can assistance instruments be used to manage for results?**

The Federal Grant and Cooperative Agreement Act of 1977 defines the circumstances in which each type of instrument is to be used. It states that procurement contracts are to be used when an Agency is acquiring goods and services for the use and benefit of the Federal Government.

An Agency shall use a grant agreement when --

(1) the principal purpose of the relationship is to transfer a thing of value to the ... Recipient to carry out a public purpose or support or stimulation authorized by a law of the United States instead of acquiring (by purchase, lease or barter) property or services for the direct benefit or use of the United States Government; and

(2) substantial involvement is not expected between the executive agency and the ... Recipient when carrying out the activity contemplated in the agreement.

An Agency shall use a cooperative agreement ... when --

(1) the principal purpose of the relationship is to transfer a thing of value to the ... Recipient to carry out a public purpose or support for stimulation authorized by a law of the United States instead of acquiring (by purchase, lease or barter) property or services for the direct benefit or use of the United States Government; and

(2) substantial involvement is expected.

## **7. What does USAID mean by substantial involvement?**

It is USAID policy to limit its substantial involvement only to the following elements which are essential to meet program requirements (ADS 303.5.11a):

- ▶ approval of annual implementation plans;
- ▶ designation of key positions and approval of key personnel, generally "no more than five positions or five percent of Recipient employees working under the award", whichever is greater;
- ▶ Agency and recipient collaboration or joint participation, such as, selection of advisory committee members or membership by USAID in advisory committees, selection of subaward recipients, approval of Recipient's results monitoring and evaluation plans, and redirection because of interrelationships with other projects; and,
- ▶ authority to immediately halt a construction project.

## **8. Are there cost issues in results-oriented assistance that have not been a factor in traditional grants and cooperative agreements?**

Most cost-issues are the same. However, under results-oriented assistance, as under

performance-based service contracts, performance measurement takes on added importance. Therefore, there can be increased costs of monitoring and evaluation on the part of the Recipient to measure the results achieved and report them back to the Agency.

## **9. What are the risk factors and accountability issues to be considered in the design and use of results-oriented assistance instruments?**

The fundamental risk and accountability issue affecting all types of instruments awarded by USAID is the potential for micro-management. When substantial involvement is anticipated in an assistance relationship between the USAID Technical Office or Strategic Objective Team and the Recipient, a cooperative agreement must be used. Substantial involvement is not a device to provide undue administrative oversight or detailed operational control.

USAID has effective ways of enforcing accountability for performance. However, it must not confuse performance with an unconditional guarantee. USAID shall, among other things,

- ▶ Ensure up front that it shares mutual interests with the Recipient.
- ▶ Structure the award in a such a way as to monitor the Recipient's performance continuously throughout the project. This entails designing a performance monitoring plan which evaluates the Recipient on an on-going basis. Continuous reporting and periodic reporting are fundamental characteristics of assistance instruments that allow both the Agency and its Development Partner to know as early as possible when things are not going as planned and what actions will be necessary by either or both parties to correct them.
- ▶ Consider structuring the award with tranche funding to permit periodic reviews and evaluations before additional funding is committed. (This practice is controversial and can be counterproductive if funding periods are too short or it is too rigidly applied).

## **Awarding**

### **10. Who decides which assistance applications are funded?**

The responsibility of the Strategic Team with regard to competitive award procedures is divided between the Agreement Officer and the Cognizant Technical Officer in the following manner. The Cognizant Technical Officer is responsible for convening a competitive technical review panel to review and evaluate all proposals for technical selection in accordance with USAID policies and procedures. Once the panel has concluded its technical review and evaluation, it is to prepare a written evaluation report indicating which application should be funded, and submits the report to the Agreement Officer. The Agreement Officer, in turn, asserts that the review and evaluation of all proposals were done in accordance with USAID policies and practices.

Once the Cognizant Technical Officer determines which applications will be funded, (s)he negotiates with the potential Recipient the expected level of cost sharing and the authorized use(s) of program income. Following this, the Cognizant Technical Officer will then process all the necessary internal USAID authorization papers.

With the assistance of the Cognizant Technical Officer, the Agreement Officer undertakes a

responsibility determination regarding the potential Recipient's management and technical competence in implementing the planned activity.

### [Awarding Results-Oriented Assistance](#)

#### **11. Is there a standard application form or format that is to be used?**

Yes. Current USAID policy is to require Applicants to use the Government-wide SF-424 in responding to an RFA **unless** the RFA is being issued exclusively for indigenous non-governmental organizations, in which case the Strategic Objective Team may determine not to use this form.

#### **12. What are the requirements for private contributions for registration of Private Voluntary Organizations (PVOs)?**

USAID views PVOs as its development and relief partners, both as intermediaries for USAID programs and as independent entities in their own right. USAID is committed to working with PVOs in both capacities. The Agency recognizes that by joining forces, USAID and PVOs can accomplish more together than either could alone. One of the challenges inherent in such a partnership is the achievement of the right mixture of collaboration and independence between public and private spheres. A healthy degree of separation between the two is essential for the integrity of each, but cooperation is also critical to the vitality of both.

In keeping with this principle and the "privateness requirement" legislated by Congress, USAID requires that in order to be eligible for grants and cooperative agreements from development assistance funds. PVOs must register with USAID and show that at least 20 percent of their annual financial resources for their international programs come from non-U.S. Government sources.

USAID's basic assistance authority in Section 635 of the Foreign Assistance Act of 1961, as amended, is not limited to PVOs. Under this authority, USAID may make awards to "any individual, corporation, or other body of persons, friendly governments, a government agency, whether within or without the United States and intergovernmental organizations." Recipients other than PVOs are not subject to registration and "privateness" requirements.

#### **13. What are the requirements for individual assistance programs?**

For individual grant programs, unless cost sharing has been specifically mandated in a program or statutory requirement, which is not generally the case at USAID, its application should be flexible and case-specific. It is USAID policy that the principle of cost sharing is an important element of the USAID-Recipient relationship.

USAID's policies on whether to include cost-sharing in an assistance award are in the [USAID-U.S. PVO Partnership Paper of April 12, 1995](#), University Policy, and [ADS Chapter 216](#). It is USAID policy to apply these principles to all non-governmental Recipients -- U.S. and non-U.S., for-profit and non-profit organizations, whether or not they are PVOs.

## **Administering**

#### **14. What are the roles, responsibilities, and rights of the Recipient?**

Recipients must implement the agreed program in accordance with the terms and conditions of the award, all applicable USAID regulations, and OMB circulars.

### Administering Results-Oriented Assistance

## **15. What are the roles and responsibilities of the Agreement Officer relating to USAID grants and cooperative agreements?**

As a member of the Strategic Objective/Results Package team, "the Agreement Officer bears the legal responsibility for the award and therefore, only the Agreement Officer can take action to enter into, change or terminate the award on behalf of USAID" (ADS 303.3.3a). The responsibilities of the Agreement Officer are to:

- ▶ Interpret USAID's assistance policies and procedures and coordinate with the SO Team, applicants and recipients to ensure consistency of interpretation."
- ▶ Determine the appropriate type of instrument to be used in accordance with ADS 304.
- ▶ Guarantee the integrity of the competitive process by: (1) approving the Annual Program Statement or the Request for Application prior to publication; and (2) obtaining a written evaluation report from the competitive review panel asserting that the review and evaluation of all proposals was in keeping with USAID policies and procedures.
- ▶ Make a responsibility determination regarding a potential recipient's management competence in implementing a planned activity.
- ▶ Develop the instrument which sets out the results that the recipient plans to achieve and all understandings between USAID and the recipient.
- ▶ Negotiate costs in the financial plan of the award meet OMB and USAID standards" by: (a) requiring the CTO to confirm the necessity of certain costs; (b) conducting a comprehensive cost analysis; and (c) discussing the cost analysis and supporting information in a Negotiation Memorandum.
- ▶ Assure that there are no restrictions in the award that go beyond the provisions of the applicable OMB Circulars, USAID Regulation 26, or applicable Standard provisions, unless a deviation has been approved.
- ▶ Process necessary deviations.
- ▶ Execute the award.
- ▶ Prepare and execute amendments to awards as necessary."
- ▶ Initiate actions when terminations or suspensions are necessary.
- ▶ Maintain the official Agency files for each grant or cooperative agreement.

## **16. What are the roles and responsibilities of the Cognizant Technical Officer?**

As a member of the Strategic Objective Team, the responsibilities of the Cognizant Technical Officer are to:

- ▶ Prepare competitive announcements or writing a justification for an exception to competition.
- ▶ Conduct the process of technical selection of recipients, including performing a past performance review and conducting a cost realism analysis.
- ▶ Determine if the applicant's program description is responsive to a published USAID competitive notice or is otherwise in keeping with established USAID strategic objectives.
- ▶ Recommend the expected level of cost sharing in accordance with specific program requirements.
- ▶ Process all necessary internal USAID authorization papers to request that the Agreement Officer consider awarding a grant or cooperative agreement to a selected recipient.
- ▶ Assist the Agreement Officer in determining the potential recipient's level of technical and managerial competence.
- ▶ Monitor and evaluate the recipient and the recipient's performance during the award by: maintaining contact including site visits and liaison with the recipient; reviewing and analyzing all performance and financial reports; assuring compliance with the terms and conditions of the award; carrying out all responsibilities as delegated by the Agreement Officer in the Schedule of the award or noted under the "Substantial Involvement" section of Cooperative Agreements; promptly notifying the Agreement Officer of any developments which could have a significant impact on the award; and preparing internal documents to support amendments to the award."
- ▶ Evaluate the recipient's program effectiveness at the end of the program and submit a final report to the Agreement Officer.

**17. If civil unrest or natural disasters cause the evacuation of USAID and US Embassy personnel, what evacuation assistance is available to Recipients?**

Recipients should immediately contact their Agreement Officer to obtain detailed instructions on how best to proceed. In the event that the Recipient is unable to reach the Agreement Officer, the Recipient should make its own decision as to whether to evacuate. Costs relating to an evacuation, like all costs must be reasonable and shall not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision is made to incur the costs. In determining the reasonableness of a given cost, consideration should be given to the totality of the circumstances, considering their responsibilities to the organization, its members, employees, and clients, the public at large, and the Federal Government.

**18. Do Recipients have to evacuate their U.S. personnel?**

The Recipient is an independent organization, and as such, must make its own decisions regarding evacuations. However, it is advisable, in order to limit potential future or controversy or misunderstanding, to give due consideration to the Agreement Officer's detailed guidance and instructions.

**19. How much involvement can I as a USAID Cognizant Technical Officer have under substantial involvement?**

[See 7 above.](#)

**20. How much USAID involvement should I expect as a Recipient?**

As [indicated in 7 above](#), Recipients may expect substantial involvement which is permitted by USAID policy. Like all partnerships, there will also be reasonable give-and-take throughout the award period. However, even in procurement contracts, the Technical directions authority of USAID staff is limited, and Recipients should not be expected to tolerate micro-management by such staff. The Agreement Officer should seek to ensure that Agency staff do not over-reach in this regard.

**21. What requirements can be included in the Recipient's workplan(s)?**

There are currently no mandatory USAID standards in this regard. Agency technical staff have an appropriate amount of discretion. However, imposition of administrative requirements that exceed those permitted by USAID Regulation 26 is prohibited.

**22. What other approvals by USAID are allowable, if any?**

Generally, for other than high-risk Recipients (see 22 CFR 226.14), no approval rights may be reserved in excess of those provided for in 22 CFR 226.25 and certain circumstances set forth in other provisions of Regulation 26, without a formal USAID deviation.

**23. What are indirect costs and how are they determined for new applicants?**

Indirect costs are those costs which are allocable to a particular cost objective, such as a grant, cooperative agreement, procurement contract, service, or other activity, in accordance with the relative benefits received. [OMB Circular A-122](#) (or other OMB Circulars for certain other types of Recipients) provides guidance for non-profit organizations as to appropriate indirect cost allocation bases and methods, by stating that the distribution base may be total direct costs (excluding capital expenditures and other distorting items, such as major subcontracts or subgrants), direct salaries and wages, or other bases which result in an equitable distribution.

An indirect cost proposal should be submitted once an organization has been notified of an award that will allow for the reimbursement of indirect cost via an indirect cost rate. Generally, this proposal should be submitted as soon as possible after award. This proposal should be based on actual cost data adjusted for any known or expected deviations from historical experience. Normally a provisional indirect cost rate will be established based on the indirect cost proposal. Once an organization has established an adequate indirect cost rate structure approved by the Office of Overhead/Special Costs and Contract Closeouts Branch (OP/PS/OCC) of USAID, its provisional rates are generally updated on a yearly basis. They can be updated sooner when circumstances warrant it. Once an organization has awards with USAID based on an accepted established indirect cost rate structure; agreement has been reached on how costs are to be allocated to awards/contracts. Accordingly, any modification of the allocation methodology constitutes a change in these agreements and thus as a matter of policy requires prior approval from USAID.

**24. What accounting standards need to be followed by new applicants?**

New applicants are free to use their existing accounting, record keeping, and overall financial management systems, so long as they meet the applicable standards in Regulation 26, particularly 22 CFR 226.21.

## 25. What are allowable costs?

To be allowable under an award, costs must meet the following criteria:

- ▶ Be reasonable for the performance of the award and allocable thereto under the applicable cost principles (OMB Circular A-122 or other circulars),
- ▶ Conform to any limitations or exclusions set forth in the applicable cost principles or the award as to types or amount of cost items,
- ▶ Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the organization,
- ▶ Be accorded consistent treatment,
- ▶ Be determined in accordance with generally accepted accounting principles (GAAP),
- ▶ Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-funded program in either the current or a prior period, and
- ▶ Be adequately documented.

Allowability of costs are determined by the Agreement Officer in accordance with the cost principles applicable to the entity incurring the costs and can be found under OMB Circulars A-122, [A-87](#), and [A-21](#).

## 26. When host country NGOs participate as subrecipients, to what extent do USAID/OMB accounting rules apply to these NGOs who are small and have limited resources?

In accordance with OMB [Circular A-110](#), Recipients are accountable for the use of the funds provided to subrecipients. Therefore, it is the responsibility of the Recipient to follow monitoring procedures in accordance with OMB [Circular A-133](#) to ensure that subrecipients are in compliance and have made adequate accounting, recording keeping, and financial management systems.

Depending upon the subrecipients' level of sophistication, the Recipient needs to ensure, at a minimum, that the subrecipient's systems, like the Recipient's, provide for the following: (1) records that identify adequately the source and application of funds for USAID-sponsored activities; (2) effective control over and accountability for all funds, property, and other assets; (3) procedures for determining the reasonableness, allowability, and allocability of costs; and (4) accounting records that are supported by documentation that at a minimum will identify, segregate, accumulate, and record all costs incurred under a subaward.

The responsibilities set forth in the two previous paragraphs apply to all Recipients vis-a-vis all subrecipients. This is the case as a policy matter even though non-U.S. subrecipients, like non-U.S. Recipients, are technically exempt from OMB Circulars A-110 and A-133.

As a guide to USAID's expectations regarding non-U.S. subrecipients, the Recipient may wish to review [Handbook 13 Chapter 4, Appendix 4D](#) "Accounting, Audit, and Records" Standard Provision to view what USAID does with non-US, nongovernmental Recipients.

The Recipient must ensure that subrecipients have the potential ability to comply with USAID Regulation 26, Parts 226.20-226.28, because USAID will hold the Recipient responsible.

## **27. What is the relationship between the Recipient, USAID Mission and U.S. Embassy?**

The relationship between a Recipient, the USAID Mission and U.S. Embassy is as follows: The Ambassador, as Chief of Mission, is responsible for all "official" Americans in country. The Recipient and its employees, who are not citizens of the Cooperating Country but are citizens of the United States, are not considered part of the official U. S. delegation. The Recipient's employees shall maintain their private (non-official) status and may not rely on local U.S. Government offices or facilities for support while under the award.

As long as prior budget approval for international travel has been incorporated into the award by the Agreement Officer, then a separate notification is not necessary, unless, the primary purpose is to work with USAID Mission personnel or the Recipient expects significant administrative or substantive programmatic support from the Mission. Where there is a security concern in a specific region, Recipients may choose to notify the U.S. Embassy of their presence when they have entered the country. This is especially important for long-term postings.

Even though the Recipient and its employees are not considered part of the official U.S. delegation, they must adhere to the following limitations and prohibitions which apply to direct-hire USAID personnel employed by the Mission.

- ▶ Pursuant to 22 CFR Part 136, the sale of personal property or automobiles by Recipient employees and their dependents in the Cooperating Country to which they are assigned is prohibited, unless the prohibition conflicts with Cooperating Country regulations.
- ▶ Other than work performed under the award for which an employee is assigned, no employee shall engage directly or indirectly, either in the individual's own name or in the name or through an agency of another person, in any business, profession, or occupation , nor shall they make loans or investments to or in any business, profession or occupation in the Country to which the employee is assigned.
- ▶ The Recipient's employees are expected to show respect for the Cooperating Country's conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political activities.
- ▶ If the conduct of any Recipient employee is such that it is not in accordance with the above, then the Recipient's Chief of Party is to consult with the USAID Mission Director and the employees involved. The Mission Director shall recommend the appropriate course of action with regard to the employee.
- ▶ The Recipient recognizes the rights and authority of the U.S. Ambassador to direct the removal from a country of any U.S. citizen or the discharge from an award of any third country national when, in the discretion of the Ambassador, the interest of the United States so requires.
- ▶ Finally, if it is determined that the services of any employee shall be terminated under

points four or five, then the Recipient shall use its best efforts to cause the return of the employee to the United States or point of origin.

## **28. What is the payment process?**

The payment methods for Recipients seek to minimize the time elapsing between the transfer of funds from the United States Treasury. The payment methods have their origin in Treasury Department regulations 31 CFR Part 205.

Recipients will be paid in advance, provided that they maintain or demonstrate the willingness to maintain written procedures that minimize the time elapsing between the transfer of funds and the disbursement by the Recipient, and maintain financial management systems that meet the standards for fund control and accountability as established by USAID's assistance regulations (22 CFR 226.21). This is the principal method of payment for nonprofit organizations, based on fundamental, long-established U.S. Government regulations.

Cash advances to a Recipient are limited to the minimum amounts needed and are timed in accordance with actual, immediate cash requirements in carrying out the purpose of the approved program or project.

Whenever possible, advances will be consolidated to cover anticipated cash needs for all awards made by USAID to the Recipient, via advance payment mechanisms such as a USAID Letter of Credit, Treasury check or electronic funds transfer. Requests for Treasury check advance payment are to be submitted on SF-270, "Request for Advance or Reimbursement" form.

If a Recipient does not maintain financial management systems that meet the standards for fund control and accountability, then USAID may use the reimbursement method within 30 days after receipt of a proper billing.

On the other hand, if a Recipient cannot meet the criteria for advance payments and USAID has determined that reimbursement is not feasible because the Recipient lacks sufficient working capital, the USAID Agreement Officer may authorize payment on a working capital advance basis. Under this procedure, USAID will advance cash to the Recipient to cover its estimated disbursement needs for the initial period, generally 30 days. Subsequently thereafter, USAID will reimburse the Recipient for its actual cash disbursements. The working capital advance method of payment will not be used for Recipients who are either unwilling or unable to provide timely advances to their subrecipients to meet their actual cash disbursement needs.

Unless otherwise required by statute (which is rarely the case), **USAID will not withhold payments for proper charges made by the Recipient at any time unless the Recipient has failed to comply with the project objectives, the terms and conditions of the award, or federal reporting requirement, or is delinquent on a debt to the United States. Even when Recipients are delinquent on a debt to the United States, withholding and offset of payments are disfavored by federal debt collection policy (except when absolutely necessary) because such techniques can interfere with the conduct of important Agency-supported programs.**

## Monitoring and Evaluating Performance

The following FAQs are related to understanding the Agency-wide Strategic Planning and reporting under the Government Performance and Results Act of 1993.

### **29. What is the Agency Strategic Framework?**

The Agency Strategic Framework is a simple diagram of Agency goals, objectives, and program approaches drawn from USAID's Strategies for Sustainable Development and the associated Implementation Guidelines. It establishes a basis for organizing strategy, performance reviews, budgeting, and external reporting.

### **30. What about Agency program approaches?**

The Agency program approaches are the primary ways -- the kinds of program and policy interventions -- through which USAID contributes to Agency goals and objectives in a country. These approaches build on successful strategies currently being used in the field. USAID's senior technical and policy advisers have refined the approaches to ensure that they reflect current best practices.

### **31. What is the relationship between the Agency Strategic Framework and country and other programming?**

All country, regional and global programs must contribute to the Agency-wide goals and objectives represented in the Agency strategic framework. Every proposed Strategic Plan (country, regional or global) must include a discussion of the linkage of the strategy to Agency goals and objectives.

Each operating unit's Strategic Objective must be linked to one Agency goal. It may be linked to other Agency goals on a secondary basis if necessary.

Each operating unit's Strategic Objective should also be linked to one or more Agency objective within its primary goal. Most activities represent one or more of the Agency approaches listed under the Agency objectives. Operating units should identify the program approaches they are using -- both in their strategies and their Results Review and Resource Request (R4) reporting.

### **32. Can Missions pursue activities that contribute to an Agency objective but that don't coincide with the program approaches listed for that objective?**

Yes. The list of approaches is a work-in-progress. USAID will be seeking to improve the list of approaches in 1998. It would be helpful to hear from Missions and other operating units about program approaches they consider especially effective. Please use the feedback mechanism. In addition, regional bureaus will likely want to learn about new and innovative approaches (and the results they achieve) in country strategy and Results Review and Resource Requests (R4).

### **33. Why have indicators been developed for the Agency strategic framework?**

Agency-wide working groups have developed indicators to monitor the progress of countries toward Agency goals and objectives, both for USAID-assisted countries and for non-presence countries. This information will help assess Agency performance and report on it in USAID's annual report on performance. While USAID will be assembling time series data on these indicators, USAID will not be setting performance targets. USAID

may, however, identify thresholds (or ranges) for indicators at the goal level as one basis for considering if a country should graduate.

USAID will also be developing menus of indicators for the Agency program approaches. These menus will be based on current best practice and Mission experience with indicators they are using to monitor performance. Operating units are free to determine which, if any, indicators they will use from these menus.

**34. Can we attribute any changes in these country indicators to USAID's programs? Don't they represent high level changes in country conditions that are often far removed from what we do on the ground?**

Certainly, there are only a few cases in which USAID can directly link the results of specific USAID interventions to changes in these country level indicators. But these indicators related to Agency goals and objectives do provide an important frame of reference for analyzing country programs and Agency performance. These are the key development challenges, which USAID wants to address with Development Partners.

**35. How will information on Agency indicators be factored into budget decisions?**

Performance data is used in budget decision-making along with other factors, e.g. Congressional directives and earmarks. With additional contextual information, the Agency indicators provide a reasonable picture of a country's development status, how that country compares to other countries in critical development areas, and how that country is progressing over time. This is an important reference point for analyzing USAID's contribution. It also provides a clearer basis for Agency-wide Strategic Planning and reporting under the Government Performance and Results Act of 1993 (the GPRA).

These kinds of data (along with other information on program performance, policy priorities, technical capabilities, and foreign policy significance) are already being used by USAID managers at all levels in setting priorities and allocating budgets.

The Agency indicators could be likened to warning lights. If countries fail to make progress with respect to Agency goals and objectives, or even slip back, that's cause for concern. Similarly, if a country performs particularly well, the Agency would want to understand that, too. The warning lights don't provide answers, but do raise important questions.

**36. Analyzing these kinds of data is complicated and requires sector and country knowledge. How will this analysis be carried out? Who participates?**

Analysis of the indicator data will be a part of the program and budget reviews of each sector. These reviews will draw upon expertise from PPC, the regional bureaus, and the technical staff from the Global and Humanitarian Response Bureaus. These data may also be used by operating units themselves as a basis for relating the performance of their programs to broader development changes.

**37. Won't getting all these data on Agency goals and objectives be an enormous burden on Missions?**

Wherever possible, the Agency working groups selected indicators for which data are available from secondary sources. Such data are fairly established in areas like economic growth, population, and health. In newer program areas like environment and democracy, USAID may need to be more proactive in developing indicators and collecting data--along

the lines of USAID's pioneering work in creating a worldwide demographic and health data base.

While USAID has tried to minimize the burden on Missions and other operating units in collecting data on these performance indicators, there may be occasions when data on specific indicators may be requested. Any decisions will be made judiciously and in consultation. Better data are only worth getting if their value to the Agency outweighs the costs of collecting them.

**38. How should Missions use the Agency indicators in their programming? Should Missions specifically design their programs to affect the Agency indicators?**

Missions should certainly design programs around the Agency goals and objectives, which reflect what USAID would like to achieve as an Agency, but NOT around the Agency indicators themselves. These Agency indicators represent the best data USAID can obtain from secondary sources and reflect national level changes that are substantially beyond most Missions manageable interest and the scope of their Strategic Objectives. Changes in these indicators are likely to be only indirectly linked to Mission programming and budgeting, which should more directly reflect a Mission's performance in achieving its own Strategic Objectives and intermediate results.

The Agency indicators are not necessarily the best indicators of what USAID programs are trying to accomplish in particular countries, but reflect practical considerations and world-wide availability. Certainly, such high level Agency indicators should not drive Mission programming.

**39. Are there any plans to update or revise the framework and indicators based on experience?**

Yes, the current framework and indicators aren't perfect. These represent an important first step in systematically setting out and tracking Agency goals and objectives. USAID will use this framework in program planning and review in 1998 and evaluate its appropriateness and utility. Each year, as part of the Agency-wide sector review, goals, objectives and indicators will be updated, as necessary.

**40. How can Agency and Development Partner staff contribute to changes in the Agency Strategic Framework and indicators?**

In addition to the more formal Agency-wide annual review mentioned above, USAID welcomes hearing your suggestions, concerns, or issues with the Strategic Framework and indicators at any time. Please communicate your views to PPC.

# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK



## Sources and Resources

[GPRA](#) explains the legislative requirements for strategic planning and performance measurement. Also included are links to statutes most frequently referenced in planning, achieving, monitoring and evaluating performance of results-oriented assistance.

A summary of the [Agency Strategic Plan](#) is included. A full copy is available for downloading. Each Mission and Washington-based Operating Units' Strategic Plans are available upon request by [e-mail](#). A summary of Strategic Objectives and Intermediate Results of each Mission and Operating Unit is in the most recent [Congressional Presentation](#).

[Best practices](#) is a summary of "best efforts" that contribute to successful achievement of results by USAID and its Development Partners. The intent is to elicit nominations of key or emerging practices around "managing for results" themes.

USAID pursues its mission through [partnerships](#). This section reviews partnership principles, provides a checklist of questions on readiness to partner, and highlights the USAID/PVO partnerships and areas of convergence.

[e-Mentors](#) are individuals who have agreed to act as virtual mentors.

A [glossary](#) of terms specific to "Results-Oriented Assistance Instruments" is provided, as well as, a link to the full glossary contained in Automated Directive System (ADS), which replaced the USAID Handbooks.

# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK



## Sources and Resources:

### GPRA



The [Government Performance and Results Act \(GPRA\) of 1993](#) (the "Results Act") was enacted by Congress to provide for the establishment of strategic planning and performance measurement (made up of an annual performance plan and an annual performance report) in the Federal Government.

## What is GPRA?

*A major culture change: results, not intentions*

*A management and budgeting framework for:*

- Planning(with Congress and stakeholders)
- Communicating
- Decision-Making
- Accounting for performance--

Money spent

Processes used

Outputs produced

**Outcomes attained = PERFORMANCE**

The purposes of this Act are to:

- ▶ improve the confidence of the American people in the capability of the Federal Government, by systematically holding Federal agencies accountable for achieving program results;
- ▶ initiate program performance reform with a series of pilot projects in setting program goals, measuring program performance against those goals, and reporting publicly on their progress;
- ▶ improve Federal program effectiveness and public accountability by promoting a new focus on results, service quality, and customer satisfaction;
- ▶ help Federal managers improve service delivery, by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality;
- ▶ improve congressional decision making by providing more objective information on achieving statutory objectives, and on the relative effectiveness and efficiency of Federal programs and spending; and
- ▶ improve internal management of the Federal Government.

The Results Act is based on models already being used successfully in [New Zealand](#) and [Australia](#). In cities like [Portland](#), [Seattle](#), [Sunnyvale](#), and even the [NY Police Department](#), the Results Act gives a "bottom line" to every program and brings to America a tested means to track performance and make program managers more accountable.

## Elements of the Strategic Plan (due '97)

*6 year timeline; updated at least every 3 years*

*Vision statement (optional)*

*Must clearly identify:*

- ▶ Comprehensive Mission Statement
- ▶ General Goals and Objectives

- Core processes, activities, and resources that will be required to execute the Strategic Plan (Strategies)
- Relationship between general goals and objectives and the performance goals
- External Factors that could affect performance
- Program evaluations to be used to gauge success

As defined by section 3 of GPRA, a Strategic Plan should contain the following elements:

- A comprehensive mission statement.
- A description of general goals and objectives. "A general goal is an elaboration of the mission statement, developing with greater specificity how an agency will carry out its mission. The goal may be of a programmatic, policy, or management nature, and is expressed in a manner which allows a future assessment to be made of whether the goal was or is being achieved." "A general objective is often synonymous with a general goal. In a Strategic Plan, an objective(s) may complement a general goal whose achievement cannot be directly measured. The assessment is made on the objective rather than the general goal."
- A description of how the general goals and objectives will be achieved. These can include operational processes, skills and technologies, and human, capital, information and other resources. The description should also outline the process for communicating goals and objectives throughout the agency, and for assigning accountability to managers and staff for achievement of objectives.
- A description of the relationship between performance goals in the annual performance plan and general goals and objectives in the strategic plan.
- Identification of key factors (economic, demographic, social or environmental) that could affect achievement of the general goals and objectives; certain conditions (events) not happening; and actions of Congress, other Federal agencies, local governments.
- A description of program evaluations used, and a schedule for future evaluations.

## How the Strategic Plan is written

- ▶ Look at the statutes
- ▶ Consult with Congress
- ▶ Give stakeholders a chance for input
- ▶ Involve managers at all levels
- ▶ Assess internal and external environments
- ▶ Identify core processes needed to implement strategies/objectives/goals of plan
- ▶ Coordinate with other agencies engaged in similar activities

In developing a Strategic Plan, an agency must conform with statutory requirements; consult with Congress, customers, and other stakeholders potentially affected by or interested in the plan; coordinate with other agencies with shared responsibilities or cross-agency programs; and involve managers at all levels.

## Preparation and Submission of Strategic Plans

[OMB Circular No. A-11](#), Section 200 provides instructions for preparing strategic plans and highlights the relationship between Strategic Plans and annual performance plans.

The [Congressional Institute](#) maintains a listing of Strategic Plans by agency, including the [USAID Strategic Plan](#) submitted to Congress on November 5, 1996. This draft strategic plan was reviewed by the General Accounting Office (GAO) in July 1997. The review assessed the draft's overall compliance with the GPRA's requirements and its overall quality; determined if USAID's key statutory authorities were reflected; identified whether discussions about cross-cutting functions and interagency involvement were included; determined if the draft plan addressed major management problems; and discussed USAID's capacity to provide reliable information about its operations and performance. Mindful of the GAO's observations, the September 1997 [Agency Strategic Plan](#) includes USAID's Strategic Framework and Justification for the Agency's performance goal and indicators.

Click here for the [Congressional Scoresheet](#) for Grading Strategic Plans.

## Annual Performance Plans (Feb. '98)

- ▶ **Performance Goals (Outputs and Outcomes): Tangible, Measurable Targets for each year**
- ▶ Operational details (resource needs and processes used)
- ▶ **Clear Measures:** means for comparing actual results with projected results
- ▶ **Means for verification and validation of measured results**

The Results Act does not have a definition for performance measurement but discusses the requirement for each agency to prepare (a) an annual performance plan covering each program activity set forth in the budget of such an agency and (b) an annual program performance report. The annual performance plan shall:

- ▶ establish performance goals to define the level of performance to be achieved by a program activity;
- ▶ express such goals in an objective, quantifiable, and measurable form;
- ▶ briefly describe the operational processes, skills, and technology, and the human, capital, information, or other resources required to meet the performance goals;
- ▶ establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;
- ▶ provide a basis for comparing actual program results with the established performance goals; and
- ▶ describe the means to be used to verify and validate measured values.

## **Annual Performance Reports (March 2000)**

- ▶ **Actual performance achieved vs. goals (targets) set for the year**
  - includes measurement data collected and analyzed
- ▶ **Explanation of any goals that were not met**
- ▶ **Plan for achieving unmet goals**
- ▶ **Modification of current year's plan in light of previous year's performance**
- ▶ **Performance information and trend data from previous years**

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The program performance report shall:

- ▶ review the success of achieving the performance goals of the fiscal year;
- ▶ evaluate the performance plan for the current fiscal year relative to the performance achieved toward the performance goals in the fiscal year covered by the report;
- ▶ explain and describe, where a performance goal has not been met--why the goal was not met; those plans and schedules for achieving the established performance goal; and if the performance goal is impractical or infeasible, why that is the case and what action is recommended.

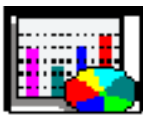
## Preparation and Initial Submission of Annual Performance Plans

[OMB Circular No. A-11](#), Part 2 covers the preparation and initial submission of annual performance plans. Two iterations of an agency's performance plan are prepared: an initial plan submitted to OMB and used during OMB's review of the agency budget request and a revised plan sent to Congress soon after transmittal of the President's budget, and made available to the public.

## Review of Agency Annual Performance Plans

For a [checklist of questions](#) asked by OMB in the review of Agency Annual Performance Plans.

# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK



GPRA



Agency  
Strategic Plan



Best Practices



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Glossary

## Sources and Resources: Agency Strategic Plan--Summary

USAID Definitions from the Automated Directives System (ADS)

**AGENCY STRATEGIC PLAN:** The Agency's plan for providing development assistance; the Strategic Plan articulates the Agency's mission, goals, objectives, and program approaches. (Chapters 201, 202, 203)

**AGENCY STRATEGIC FRAMEWORK:** A graphical or narrative representation of the Agency's Strategic Plan; the framework is a tool for communicating USAID's development strategy. The framework also establishes an organizing basis for measuring, analyzing, and reporting results of Agency programs. (Chapters 201, 202, 203)

**Strategic Plan:** The framework which an operating unit uses to articulate the organization's priorities, to manage for results, and to tie the organization's results to the customer/beneficiary. The Strategic Plan is a comprehensive plan which includes the delimitation of strategic objectives and a description of how it plans to deploy resources to accomplish them. A Strategic Plan is prepared for each portfolio whether it is managed at a country level, regionally, or centrally. (Chapters 201, 202, 203, 204)

A summary of the Agency's Strategic Plan is provided below.

## Elements of the Agency Strategic Plan (submitted September 1997)

## *10 year timeline (1997-2007)*

### *Identifies:*

- ▶ Comprehensive Mission Statement
- ▶ General Goals and Objectives
- ▶ Core processes, activities, and resources that will be required to execute the Strategic Plan (Strategies)
- ▶ Relationship between general goals and objectives and the performance goals
- ▶ External Factors that could affect performance
- ▶ Program evaluations to be used to gauge success

The USAID Strategic Plan is an expanded and more detailed version of the [Strategies for Development](#) first developed by the Agency in 1994. In *Strategies for Sustainable Development* (1994) Brian Atwood, the USAID Administrator is explicit about economic and social growth that:

- ▶ does not exhaust the resources of a host country;
- ▶ respects and safeguards the economic, cultural, and natural environment;
- ▶ creates many incomes and chains of enterprises;
- ▶ is nurtured by an enabling policy environment; and,
- ▶ builds indigenous institutions that involve and empower the citizenry."

As required by the GPRA, the Strategic Plan was prepared in consultation with the Agency's oversight Committees on Capitol Hill and its external partners, including the Advisory Committee on Voluntary Foreign Aid. During these consultations, USAID added a sixth goal focused on human capacity building, and gave increased emphasis to agricultural development. The Strategic Plan was submitted to the Congress on September 30, 1997 and covers the period 1997-2007. USAID is currently preparing its first annual performance plan based on this Strategic Plan. The performance plan will cover FY 1999 and will be submitted to the Congress with the USAID budget in February 1998.

# Mission



USAID contributes to U.S. national interests through the results it delivers by supporting the people of developing and transitional countries in their efforts to achieve enduring economic and social progress and to participate more fully in resolving the problems of their countries and the world.

The Agency Strategic Plan indicates that USAID accomplishes its mission by affecting long-term changes in recipient countries through programs designed to achieve six interrelated goals:

GOAL 1. Broad-based economic growth and agricultural development encouraged:



USAID OBJECTIVES:

- ▶ Critical private markets expanded and strengthened.
- ▶ More rapid and enhanced agricultural development and food security encouraged.
- ▶ Access to economic opportunity for the rural and urban poor expanded and made more equitable.

GOAL 2. Building sustainable democracies:



USAID OBJECTIVES:

- ▶ Rule of law and respect for human rights of women as well as men strengthened.
- ▶ Credible and competitive political processes encouraged.
- ▶ The development of politically active civil society promoted.
- ▶ More transparent and accountable government institutions encouraged.

GOAL 3. Human capacity built through education and training.



USAID OBJECTIVES:

- ▶ Access to quality basic education, especially for girls and women, expanded.
- ▶ The contribution institutions of higher education make to sustainable development increased.

GOAL 4. World population stabilized and human health protected.



USAID OBJECTIVES:

- ▶ Unintended and mistimed pregnancies reduced.
- ▶ Infant and child health and nutrition improved and infant and child mortality reduced.

- ▶ Deaths, nutrition insecurity, and adverse health outcomes to women as a result of pregnancy and child birth reduced.
- ▶ HIV transmission and the impact of the HIV/AIDS pandemic in developing countries reduced.
- ▶ The threat of infectious diseases of major public health importance reduced.

GOAL 5. The world's environment protected for long-term sustainability.

#### USAID OBJECTIVES:

- ▶ The threat of global climate change reduced.
- ▶ Biological diversity conserved.
- ▶ Sustainable urbanization including pollution management promoted.
- ▶ Use of environmentally sound energy services increased.
- ▶ Sustainable management of natural resources increased.

GOAL 6. Lives saved, suffering associated with natural or man-made disasters reduced, and conditions necessary for political and/or economic development re-established.

#### USAID OBJECTIVES:

- ▶ The potential impact of crises reduced.
- ▶ Urgent needs in times of crisis met.
- ▶ Personal security and basic institutions to meet critical intermediate needs and protect human rights re-established.

## Agency Annual Performance Plan (Feb. '98)

- ▶ Performance goal
- ▶ Indicator -- measures for comparing actual results with projected results
- ▶ Justification for choice of indicator
- ▶ Indicator sources -- means for verification and validation of measured results
- ▶ Indicator definition

The Agency Performance goals, included in the September 1997 USAID Strategic Plan, are summarized below.

**GOAL 1. Broad-based economic growth and agricultural development encouraged:**

 **AGENCY PERFORMANCE GOALS:**

- ▶ Average annual growth rates in real per capita income above 1 percent achieved.
- ▶ Average annual growth in agriculture at least as high as population growth achieved in low income countries.
- ▶ Proportion of the population in poverty reduced by 25 percent.
- ▶ Openness and greater reliance on private markets increased.
- ▶ Reliance on concessional foreign aid decreased in advanced countries.

**GOAL 2. Building sustainable democracies:**

 **AGENCY PERFORMANCE GOALS:**

- ▶ Level of freedom and participation improved.
- ▶ Civil liberties and/or political rights improved.

**GOAL 3. Human capacity built through education and training.**

 **AGENCY PERFORMANCE GOALS:**

- ▶ Proportion of the primary school-age population not enrolled reduced by 50 percent.
- ▶ Differences between girls' and boys' primary enrollment ratio virtually eliminated.
- ▶ Primary School completion rates improved.
- ▶ Higher education increased 100 percent.

**GOAL 4. World population stabilized and human health protected.**

 **AGENCY PERFORMANCE GOALS:**

- ▶ Fertility rate reduced by 20 percent.
- ▶ Mortality rates for infants and children under the age of five reduced by 25 percent.
- ▶ Maternal mortality ratio reduced by 10 percent.
- ▶ Rate of increase of new HIV infections slowed.
- ▶ Proportion of underweight children under 5 in developing countries reduced.

**GOAL 5. The world's environment protected for long-term sustainability.**

 **AGENCY PERFORMANCE GOALS:**

- ▶ National environmental management strategies prepared.
- ▶ Conservation of biologically significant habitat improved.
- ▶ Rate of growth of net emissions of greenhouse gases slowed.

- ▶ Urban population's access to adequate environmental services increased.
- ▶ Energy conserved through increased efficiency and reliance on renewable sources.
- ▶ Loss of forest area slowed.

GOAL 6. Lives saved, suffering associated with natural or man-made disasters reduced, and conditions necessary for political and/or economic development re-established.



#### AGENCY PERFORMANCE GOALS:

- ▶ Crude mortality rate for refugee populations returned to normal range within six months of onset of emergency situation.
- ▶ Nutritional status of children 5 and under populations made vulnerable by emergencies maintained or improved.
- ▶ Conditions for social and economic development in post-conflict situations improved.
- ▶ Freedom of movement, expression and assembly and economic freedoms in post-conflict situations increased.

## Agency Performance Reports

- ▶ Actual performance achieved vs. goals (targets) set for the year
  - includes measurement data collected and analyzed
- ▶ Explanation of any goals that were not met
- ▶ Plan for achieving unmet goals
- ▶ Modification of current year's plan in light of previous year's performance
- ▶ Performance information and trend data from previous years

Click here for a [copy of the Agency Performance Report](#) (1996).

## Review of Agency Annual Performance Plans

OMB guidance indicates that an annual performance plan will appear in several iterations. The first is sent to OMB for their review in September with the agency budget request. The second iteration, called the revised performance plan, is sent to Congress in February, coincident with the President's budget and used by Congress during the authorization and/or appropriations processes. OMB has prepared a checklist of questions related to [review of agency annual performance plans](#). Questions include:

- ▶ Coverage of program?
- ▶ Annual performance plans?
- ▶ Performance indicators?
- ▶ Alternative form of measurement?
- ▶ Performance goals funded by prior year appropriations?
- ▶ Means and strategies?
- ▶ Verification and validation?
- ▶ Mission statement and general goals and objectives?
- ▶ External factors?
- ▶ Program evaluations?
- ▶ Cross-cutting programs?
- ▶ Tax expenditures and regulations? and
- ▶ Budget account restructuring?

**Strategic Plans: Mission and  
Washington-based Operating Units**

The fundamental building block of all USAID's programs is an integrated country strategy for each field mission and an operating unit strategy for each USAID/Washington office. The following principles have guided strategy formulation:

- ▶ Take into account the totality of development problems confronting the society.
- ▶ Be developed in close cooperation with host governments, local communities, other donors, and other Development Partners;
- ▶ Consider how social, economic, political, and cultural factors combine to impede development. USAID's Strategic Plan also indicates a continuous process of monitoring and evaluating the performance of its activities.

Each Strategic Plan identifies specific objectives for the Operating Unit to accomplish. These objectives are approved only if they contribute to the goals identified in the Agency's Strategic Plan. Included in each Strategic Plan are the following elements:

### 1. Summary analysis of the development assistance environment and the rationale for program focus.

- ▶ Relationship to U.S. foreign policy.
- ▶ Overview of country conditions /discussion of transnational trends.
- ▶ How customers influenced the Strategic Plan.
- ▶ Transitional issues.

### 2. Strategic Objectives and Results Framework.

- ▶ Linkages to Agency's Strategic Framework
- ▶ Country goals and subgoals.
- ▶ Explanation of each Strategic Objective and Results Framework.

### 3. Resource requirements by Strategic Objective (s).

In addition to Strategic Plans, each Mission and Washington-based Operating Unit must include the following documents in their Strategic Planning and performance measurement system planning:

- ▶ **Results framework:** Every operating unit develops a **results framework** for each strategic objective, showing how that objective is linked, through a hierarchy of results, to USAID's interventions. The results framework clearly articulates the hypotheses and assumptions upon which the achievement of the strategic objective is based. A results framework must be both technically-sound to sector specialists and believable to the informed public.
- ▶ **Performance monitoring plan:** USAID identifies performance indicators for strategic objectives and key results and monitors performance to assess progress toward

specific targets from the results framework. Performance monitoring keeps managers informed about whether activities are on track, exceeding, or falling short of expectations, and helps them identify when corrective actions may be needed.

► **Evaluation:** Evaluations more in-depth inquiries used to help understand why expected results are being achieved or not, and to highlight what actions need to be taken. An evaluation could also be a more careful assessment of a particularly important, uncertain, or controversial development hypotheses that has implications for program interventions. USAID stresses the importance of participation by its partners and beneficiaries in operational-level evaluations to reinforce local "ownership" of development programs and to enable all stakeholders to learn from experience. Evaluations also examine the impact of USAID's activities and assess the Agency's overall lessons learned in a particular sectoral area by reviewing similar programs in a variety of development settings.

► **Research:** Research is an essential component of the success of USAID sustainable development programs and as such are integrated with the Agency's strategic framework. The results of research (better operations, products, and process) are critical, but as important are the accompanying capacity building, training, and policy reform that accompany research. The types of research supported by USAID are varied, ranging from behavioral research (family planning, farming methods, HIV/AIDS, child health) to technology development (diagnostic tools, drugs or vaccines, contraceptives, agricultural biotechnology). This mixed portfolio provides tools, and improves methodologies for USAID programs and beyond.

► **Results review and resource requests (R4s):** Each year every USAID field mission and Washington-based operating unit prepares an R4, the operating unit's annual performance report for the preceding year and annual performance plan for the following year. R4s summarize current performance data (also available through the Agency's New Management System) and draw on other evaluations and management studies to assess progress towards strategic objectives and key intermediate results. The R4s discuss actions taken to revise programs not meeting their planned targets and also contain the unit's request for future funding.

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## Related Links:

[Agency Strategic Plan](#) submitted in September 1997.

[ADS Guidance](#) on contents of Mission and Operating Units' Strategic Plans (Section 201.5.10)

Agency [Congressional Presentations](#) will have a summary of the strategic objectives of each Mission's and Washington-based Operating Units

# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK



## Sources and Resources: Best Practices

The Sourcebook is based on excellent examples of managing for results from USAID Missions and Washington-based Operating Units and from the experiences shared by Development Partners, particularly from the PVO community. Other organizations whose managing for results practices have been reviewed are the [National Performance Review](#), [African Development Foundation](#), the [InterAmerican Foundation](#), [Oregon Benchmarks](#), [Sustainable Seattle](#), [Canadian International Development Agency \(CIDA\)](#), the [Asia Foundation](#), and the [World Bank](#).

## Best Practices:

[A Partners' Consultation: Reengineering Relationships, 1996](#)

[Balancing Measures: Best Practices in Performance Measure](#)

[Building Teamwork in USAID's Dominican Republic Mission](#)

[Managing for Results in a Regional Mission: USAID/Central Asia's Experience, 1996](#)

[Planning and Managing for Results with Teams, Customers, and Partners in the Reengineered USAID: Observations from the Field, 1996](#)

[Planning and Managing for Results Under Reengineering: Early Lessons from the Field, 1996](#)

[Training for Development Impact](#)

[World-Class Courtesy: a Best Practices Report on high quality customer service](#)

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# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK



## Sources and Resources: Partnerships

USAID Definitions from the Automated Directives System (ADS)

**PARTNER:** An organization or customer representative with which/whom USAID works cooperatively to achieve mutually agreed upon objectives and intermediate results, and to secure customer participation. Partners include: private voluntary organizations, indigenous and other international non-government organizations, universities, other USG agencies, U.N. and other multilateral organizations, professional and business associations, private businesses (as for example under the U.S.-Asia Environmental Partnership), and host country governments at all levels. (Chapters 101, 102, 201, 202, 203)

**PARTNER REPRESENTATIVE:** An individual that represents an organization with which USAID works cooperatively to achieve mutually agreed upon objectives. (Chapters 201, 202, 203)

**PARTNERSHIP:** An association between USAID, its partners and customers based upon mutual respect, complementary strengths, and shared commitment to achieve mutually agreed upon objectives. (Chapters 101, 102, 201, 202, 203)

## Partnerships

Partnerships with the people and governments of assisted countries, U.S. businesses, private voluntary organizations (PVOs), non-governmental organizations (NGOs), and the academic community, other U.S. governmental agencies, and other international assistance agencies is how USAID pursues its mission and **achieves results**. This section summarizes USAID reviews partnership principles, provides a checklist of questions on readiness to work as Development Partners, and highlights the USAID/PVO partnerships and areas of convergence.

## Partnership Principles

USAID's New Partnerships Initiative (NPI) is an integrated approach to sustainable development. The NPI uses strategic partnering and the active engagement of civil society, the business community, and institutions of democratic local governance to bolster the ability of local communities to play a lead role in their own development. After the release of the [NPI Core Report](#), it was piloted in fifteen USAID

Missions. The [NPI Resource Guide](#) brings together the results of this period of field testing and explains the partnership principles summarized below:

☐ Incorporate a deliberate strategy to build connections among three building blocks: local capacity building, strengthening the enabling environment, and fostering a variety of collaborative alliances, including:

- Inter-sectoral partnerships among civil society actors, the business community, and institutions of democratic local governance.
- Transnational partnerships and society to society linkages -- South-North, South-South and North-North.

☐ Intra-sectoral partnering which strengthens the sector and enhances the capacity to partner across sectors.

☐ Be based on shared rights and responsibilities among all actors, with performance enhanced by clear representational authority and rules, accountability and transparency.

☐ Transcend traditional sectoral stovepipes and will link activities across sectors.

☐ Build mutually reinforcing approaches at and among the local, national, and transnational levels.

☐ Mobilize and attract resources.

☐ Give upstream attention to steps that will ensure sustainability of the partnership.

☐ Demonstrate visible improvements in benefits and efficiencies, thus helping to consolidate and reinforce coalitions that favor reform and the development of a civic culture.

Partnerships between USAID and Development Partners require clearly articulated agreement on:

- goals,
- the equitable distribution of costs and benefits,
- performance indicators and mechanisms to measure and monitor performance,
- the delineation of responsibilities, and,
- a process for adjudicating disputes.

# Checklist on Readiness to Work as Development Partners

- 
- ▶ What is your organizational mission, vision, values, and affiliations?
  - ▶ What do you hope to gain through the partnership?
  - ▶ What are you willing to contribute to the partnership?
  - ▶ What are you willing to forego?
  - ▶ What are you not willing to contribute to the partnership?
  - ▶ What are your non-negotiables?
  - ▶ What degree of autonomy are you willing to give up?
  - ▶ Is management ready to encourage and reward collaboration/ partnerships?
  - ▶ What scares you about collaboration/partnerships?
- 

## USAID/PVO Partnerships

As discussed above, USAID pursues its mission through partnerships. The 1995 USAID Policy Guidance for the USAID-PVO Partnership defines partnership as “striving to achieve mutual goals by sharing resources, risks, benefits and accountability.” Partnership is characterized by cooperation, collaboration and complementarity, and is based on the principles of mutual respect, shared objectives, consultation and participation. The Policy also states that, “While acknowledging those areas where USAID and PVO interests overlap, it must be recognized that their motivations, interests and responsibilities are not and should not be identical. It is to be expected that USAID and PVOs each will pursue goals related to their particular objectives and, at the same time, will work together on common priorities,” as shown in the table below.

## USAID/PVO Areas of Convergence

- 
- ▶ A commitment to people centered economic, social and political development
  - ▶ An appreciation of the importance of community-based solutions to social, economic, and environmental problems
  - ▶ Agreement on the importance of broad based economic growth and the need to address the root causes of poverty
  - ▶ Agreement that participatory development strengthens the fabric of civil society and provides opportunities for broad based equitable growth
  - ▶ A belief that people in emerging democracies are able to improve their lives
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More sources of information that are useful in planning results-oriented assistance instruments based on partnerships:

[New Partnerships Initiative Resource Guide](#): Launched by Vice President Albert Gore, NPI is an integrated approach to sustainable development that uses strategic partnering and the active engagement of civil society, the business community, and institutions of democratic local governance to bolster the ability of local communities to play a lead role in their own development.

[Partnering for Results: Intersectoral Partnerships](#): This web site provides information on what Intersectoral Partnerships are, why they are an important development strategy, and how donors and other organizations can facilitate their growth.

[Partnerships for Growth](#): Building on the Renewal of the Saskatchewan Economy.

The [Health Improvement Partnership \(H.I.P.\)](#) of Spokane, a private/public, for profit/not-for-profit collaborative venture, addresses these broader determinants of health with the concrete goal of improving health status in Spokane County. Through H.I.P. hundreds of “discoverers” will fan out across Spokane to assist and encourage DISCOVERIES. The H.I.P. has set a goal of “discovering” 10,000 actions to improve the health of our community.

The National Association of Partners in Education's (NAPE) [How to Start a Middle School Business/Education Partnership](#) provides 12 steps to help program developers put together a partnership uniquely suited to the schools and businesses in a community.

[The Soros Foundation](#) developed [Building Donor Partnerships](#) aimed at increasing practical capacity within the Soros foundations and between the network and its partners to develop collaboration. The handbook draws on the experiences of Soros and those of successful builders of partnerships in the network. The handbook identifies the following basic building blocks in a donor partnership:

- ▶ Knowing your potential as a partner
- ▶ Laying the groundwork for partnership
- ▶ Presenting yourself as a partner
- ▶ Seeking a partner
- ▶ Clarifying the partnership
- ▶ Implementing the partnership
- ▶ Building on experience

These building blocks do not always need to be laid one on top of the other or straight in a row. The process of building partnerships will vary according to the situation.

*We have found that there are many ways to achieve partnership - different structures of partnership, different partners, and different ways of forming them. There is no ideal partner or partnership arrangement. Successful building of partnerships requires an open and proactive spirit. The craft and tactics can be learned.*

Soros Foundation

[USAID-U.S. PVO Partnership: Policy Guidance](#) (1995) and the [Policy Principles](#) for Award of Assistance Instruments to PVOs and NGOs for Development and Humanitarian Assistance (5/22/95)

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## Sources and Resources: e-Mentors

The following people listed below have agreed to act as virtual mentors on results-oriented assistance instruments. They will answer questions and provide guidance to those planning results-oriented assistance:

[Elise Storck](#)

[Jerry Kryschal](#)

[Jean Horton](#)

[Diana Esposito](#)

[Joe Beausoleil](#)

[John Taber](#)

[Jeff Brokaw](#)

[Kate Jones](#)

[John Grayzel](#)

[John Wall](#)

[Carol Dabbs](#)

[Don Drga](#)

[Richard Byess](#)

[Kitty O'Hara](#)

[Frank Gillespie](#)

[Bill Sugrue](#)

[Sally Jones](#)

[Tony Pryor](#)

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# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK



## Sources and Resources: Glossary

Below is a glossary of terms used in this sourcebook. The glossary is an excerpt of the [Automated Directives System \(ADS\)](#) glossary. The ADS is a two-tier standardized system that separates policy from essential procedures. This system also includes a supplementary reference section, consisting of "how to" guides, forms, and other publications from other agencies that affect the Agency.

## Glossary

**ACQUISITION:** Means the acquiring by contract with appropriated funds of supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition begins at the point when agency needs are established and includes the description of requirements to satisfy agency needs, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling agency needs by contract. (Chapter 516)

**ACTIVITY:** An action undertaken either to help achieve a program result or set of results, or to support the functioning of the Agency or one of its operating units. a) In a program context, i.e., in the context of results frameworks and Strategic Objectives, an activity may include any action used to advance the achievement of a given result or objective, whether financial resources are used or not. E.g., an activity could be defined around the work of a USAID staff member directly negotiating policy change with a host country government, or it could involve the use of one or more grants or contracts to

provide technical assistance and commodities in a particular area. (Also within this context, for the purposes of the New Management Systems, "activity" includes the Strategic Objective itself as an initial budgeting and accounting element to be used before any specific actions requiring obligations are defined.) b) In an operating expense context, an activity may include any action undertaken to meet the operating requirements of any organizational unit of the Agency. (Chapters 201, 202, 203, 204, 250)

**ACTIVITY MANAGER:** The member of the SO/RP team designated by that team to manage a given activity or set of activities contributing to the results to be achieved under the results package. (Chapters 201, 202, 203, 303, 591, 592)

**ADVISORY COMMITTEE:** A committee, board, commission, council, conference, panel, task force, or other similar group, or any subcommittee or subgroup thereof, which is formed or utilized by USAID to obtain advice or recommendations and is NOT composed entirely of full-time employees of the Federal Government. (Chapter 105)

**AGENCY:** United States Agency For International Development, its offices, bureaus, divisions, and posts abroad. (Chapter 513)

**AGENCY ACRONYM:** The Agency's acronym, USAID, refers to both the Washington office and field missions. The field missions use USAID/(name of Mission) and Washington uses USAID/W. (Chapter 509)

**AGENCY GOAL:** A long-term development result in a specific area to which USAID programs contribute and which has been identified as a specific goal by the Agency. (See also OPERATING UNIT GOAL.) (Chapters 201, 202, 203)

**AGENCY MISSION:** The ultimate purpose of the Agency's programs; it is the unique contribution of USAID to our national interests. There is one Agency mission. (Chapters 201, 202, 203)

**AGENCY OBJECTIVE:** A significant development result that USAID contributes to, and which contributes to the achievement of an Agency goal. Several Agency objectives contribute to each Agency goal. Changes in Agency objectives are typically observable only every few years. (Chapters 201, 202, 203)

**AGENCY ORGANIZATIONS:** In USAID/Washington (USAID/W) this includes bureaus and independent offices. Overseas this includes USAID missions, USAID Offices, USAID Sections of Embassy, Offices for Multi-country Programs, Offices for Multicountry Services, etc. (See also Major Functional Series 100). (Chapters 541, 542, 543, 544)

**AGENCY PROGRAM APPROACH:** A program or tactic identified by the Agency as commonly used to achieve a particular objective. Several program approaches are associated with each Agency objective. (Chapters 201, 202, 203)

**AGENCY STRATEGIC FRAMEWORK:** A graphical or narrative representation of the Agency's strategic plan; the framework is a tool for communicating USAID's

development strategy. The framework also establishes an organizing basis for measuring, analyzing, and reporting results of Agency programs. (Chapters 201, 202, 203)

**AGENCY STRATEGIC PLAN:** The Agency's plan for providing development assistance; the strategic plan articulates the Agency's mission, goals, objectives, and program approaches. (Chapters 201, 202, 203)

**AGREEMENT OFFICER (Compare, CONTRACTING OFFICER):** A person with the authority to enter into, administer, terminate and/or closeout assistance agreements, and make related determinations and findings on behalf of USAID. An Agreement Officer can only act within the scope of a duly authorized warrant or other valid delegation of authority. The term "Agreement Officer" includes persons warranted as "Grant Officers." It also includes certain authorized representatives of the Agreement Officer acting within the limits of their authority as delegated by the Agreement Officer. (Chapters 303, 304)

**ANNUAL FINANCIAL STATEMENT:** is comprised of (a) an Overview of the Reporting Entity, (b) Principal Financial Statements, (c) Combining Statements, where applicable, and (d) Supplemental Financial and Management Information. (Chapter 594)

**ASSISTANCE MECHANISM:** A specific mode of assistance chosen to address an intended development result; a particular intervention chosen to solve a particular development problem or set of development problems. Examples of mechanisms include: food aid, housing guaranties, debt-for-nature swaps, endowments, cash transfers, etc. (Chapters 201, 202, 203, 250)

**AUTHORIZING OFFICIAL:** An individual in each Bureau or office who has been given specific delegated authority in writing to exercise budgetary control over funds and approve for procurement the goods and services required by that activity. (See 516.5.3) (Chapter 516)

**AUTOMATED DIRECTIVES SYSTEM (ADS):** The ADS is a two-tier standardized system that separates policy from essential procedures. This system also includes a supplementary reference section, consisting of "how to" guides, forms, and other publications from other agencies that affect the Agency. This system is accessible on the Directives Resource Compact Disk (DR-CD). (Chapter 501)

**AWARD:** Financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants and cooperative agreements. (Chapter 303)

**BASELINE:** See PERFORMANCE BASELINE. (Chapters 201, 202, 203)

**BILATERAL STRATEGIC OBJECTIVE GRANT AGREEMENT (SOAG):** A type of bilateral grant agreement that finances activities in furtherance of one or more Strategic Objectives. (Chapter 350)

**BILATERAL GRANT AGREEMENT OR BILATERAL GRANT:** A grant by USAID to a foreign government or a subdivision thereof, e.g. Ministry of Health, or a local or state government or agency, to finance activities in furtherance of a Strategic Objective or for other purposes. Bilateral grants range from grants financing specific objectives and

limited scope grant agreements to SOAGs, commodity import program (CIP) grants and cash transfer grants. (Chapter 350)

**CAUSAL RELATIONSHIP:** A plausible cause and effect linkage; i.e. the logical connection between the achievement of related, interdependent results. (Chapters 201, 202, 203)

**CD-DIS:** USAID's Development Information System on CD-ROM [quarterly publication] containing the complete USAID Document and Project Databases, and full text of selected USAID reports and publications. The databases identify projects initiated since 1975 and associated project and technical reports. CD-DIS is available from the Development Information Services Clearinghouse. (Chapter 540)

**CODE OF FEDERAL REGULATIONS (CFR):** The CFR is the codification of the general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government. (Chapter 501)

**CONGRESSIONAL REPORTING:** Any reporting required under the Foreign Assistance Act, the Foreign Assistance and Related Agencies Appropriation Act, or any reporting requested by a Congressional Committee, Senator, or Congressman. (Chapter 506)

**CONTRACT (PROCUREMENT):** A legal instrument where the principal purpose is the acquisition, by purchase, lease, or barter, of property or services for the direct benefit or use of the Federal Government. (Chapter 304) Contracts do not include grants and cooperative agreements covered by 31 U.S.C. 6301, et seq. (Chapter 516)

**CONTRACTING OFFICER:** An individual with written authority of the Department Procurement Executive to enter into, administer, and terminate contracts including leases. The Procurement Executive (A/OPE) appoints all

**CONTRACT INFORMATION BULLETINS (CIBs):** Issued by the Procurement Executive to provide information of interest to contracting personnel, such as advance notification or interim implementation of changes in acquisition or assistance regulations, reminders, procedures, and general information. (Chapter 302)

**CONTRACTING OFFICER:** Means a person with the authority to enter into, administer, and/or terminate procurement contracts and make related determinations and findings. The term includes certain authorized representatives of the Contracting Officer acting within the limits of their authority as delegated by the Contracting Officer.

"Administrative Contracting Officer (ACO)" refers to a contracting officer who is administering contracts. "Termination Contracting Officer (TCO)" refers to a Contracting Officer who is settling terminated contracts. A single contracting officer may be responsible for duties in any or all of these areas. Reference in this regulation to administrative contracting officer or termination contracting officer does not (a) require that a duty be performed at a particular office or activity or (b) restrict in any way a contracting officer in the performance of any duty properly assigned. (Chapter 516)

**CONTRACTOR:** A non-government organization or individual acting as an agent of USAID and carrying out a scope of work specified by USAID. (Chapter 102)

**COOPERATING COUNTRY** (See also **HOST COUNTRY** and **LOCAL COUNTRY**): The country receiving the USAID assistance. (Chapters 305)

**COOPERATIVE AGREEMENT**: A legal instrument where the principal purpose is the transfer of money, property, services or anything of value to the recipient in order to accomplish a public purpose of support or stimulation authorized by Federal statute and where substantial involvement by USAID is anticipated. (Chapter 304)

**CORE TEAM**: U.S. government employees and others who may be authorized to carry out inherently U.S. governmental functions such as procurement actions or obligations. For example, only members of the core team would manage procurement sensitive materials or negotiate formal agreements. (Chapters 201, 202, 203)

**COST-SHARING**: Cost-sharing is any instance where the participant is a new start and a cost-sharing arrangement is entered into with a non-USAID funding source. Cost-sharing activities might include paying for travel, in-country family support, or continuing salaries of individuals during training. USAID encourages cost-sharing by non-USAID funding sources to reduce costs and to increase participant, host country, and/or training provider commitment to the program. (Chapter 253)

**CRITICAL ASSUMPTION**: In the context of developing a results framework, critical assumptions refer to general conditions under which a development hypothesis will hold true or conditions which are outside of the control or influence of USAID, and which are likely to affect the achievement of results in the results framework. Examples might be: the ability to avert a crisis caused by drought, the outcome of a national election, or birth rates continuing to decline as it relates to an education program. A critical assumption differs from an intermediate result in the results framework in the sense that the intermediate result represents a focused and discrete outcome which specifically contributes to the achievement of the SO. (Chapters 201, 202, 203)

**CUSTOMER**: Those host country individuals, especially the socially and economically disadvantaged, who are beneficiaries of USAID assistance and whose participation is essential to achieving sustainable development results. (Chapters 101, 102) An individual or organization who receives USAID services or products, benefits from USAID programs or who is affected by USAID actions. (Chapters 201, 202, 203, 250)

**CUSTOMER REPRESENTATIVE**: Any individual or organization that represents the interests of those individuals, communities, groups or organizations targeted for USAID assistance. (Chapters 201, 202, 203)

**CUSTOMER SERVICE PLAN**: A document which presents the operating unit's vision for including customers and partners to achieve its objectives. This document also articulates the actions necessary to engage participation of its customers and partners in planning, implementation and evaluation of USAID programs and objectives. It will act as a management tool for the individual operation unit and must be developed in the context of existing Agency parameters. (Chapters 201, 202, 203, 250)

**CUSTOMER SURVEYS**: Surveys (or other strategies) designed to elicit information about the needs, preferences, or reactions of customers regarding an existing or planned

activity, result or Strategic Objective. (Chapters 201, 202, 203)

**DEVELOPMENT EXPERIENCE:** The cumulative knowledge derived from implementing and evaluating development assistance programs. Development experience is broader in scope than "lessons learned", and includes research findings, applications of technologies and development methods, program strategies and assistance mechanisms, etc. Chapters 201, 202, 203, 540)

**DEVELOPMENT INFORMATION:** The body of literature and statistical data which documents and describes the methods, technologies, status and results of development practices and activities and measures levels of development on a variety of dimensions. (Chapters 201, 202, 203) The corpus of published literature, unpublished "gray literature", statistical data, current awareness information, knowledge bases, etc. which document, describe, measure, and communicate the methods, technologies, status, performance, results and experience of development practices and activities by the international development community and local, indigenous development practitioners. (Chapter 540)

**DEVELOPMENT INFORMATION CENTER:** A USAID/W resource collection, staffed by professionals who manage and provide a wide range of (DIC): development information books, journals, and other resources to USAID staff and contractors and the public who need ready access to information sources on international development. (Chapter 540)

**DEVELOPMENT INFORMATION SYSTEM:** A collection of databases providing access to USAID produced or funded development experience documents (DIS): and descriptions of USAID development assistance activities. (Chapter 540)

**DEVELOPMENT INFORMATION SERVICES CLEARINGHOUSE (DISC):** Provides on-demand copies of USAID project and program documents and USAID-funded technical reports in the DIS, and/or on CD-DIS. (Chapter 540)

**DIRECTIVE:** A written requirement that serves to direct and impel toward an action, attainment, or goal; a pronouncement requiring or prohibiting some action or conduct. USAID directives, according to their content, prescribe USAID policies and essential procedures not just for USAID itself, but for participating agencies, contractors, institutions, grantees, cooperating countries, and others acting on behalf of or in collaboration with USAID.

News releases, program announcements, catalogs, price lists, training materials, and correspondence are not included. (Chapter 501)

**ENVIRONMENT:** The term environment, as used in these procedures with respect to effects occurring outside the United States, means the natural and physical environment. With respect to effects occurring within the United States see 216.7(b). (Chapter 204)

**ENVIRONMENTAL ASSESSMENT:** A detailed study of the reasonably foreseeable significant effects, both beneficial and adverse, of a proposed action on the environment of a foreign country or countries. (Chapter 204)

**ENVIRONMENTAL IMPACT STATEMENT:** A detailed study of the reasonably foreseeable environmental impacts, both positive and negative, of a proposed USAID action and its reasonable alternatives on the United States, the global environment or areas outside the jurisdiction of any nation as described in 216.7 of these procedures. It is a specific document having a definite format and content, as provided in NEPA and the CEQ Regulations. (Chapter 204)

**EVALUATION:** A relatively structured, analytic effort undertaken selectively to answer specific management questions regarding USAID-funded assistance programs or activities. In contrast to performance monitoring, which provides ongoing structured information, evaluation is occasional. Evaluation focuses on why results are or are not being achieved, on unintended consequences, or on issues of interpretation, relevance, effectiveness, efficiency, impact, or sustainability. It addresses the validity of the causal hypotheses underlying Strategic Objectives and embedded in results frameworks. Evaluative activities may use different methodologies or take many different forms, e.g., ranging from highly participatory review workshops to highly focused assessments relying on technical experts. (Chapters 201, 202, 203)

**EVALUATION DOCUMENTS:** Program and project evaluation, performance measurement and development result reports, and any other document containing significant evaluative information and observation. Those publications describing a relatively structured, analytic activity undertaken selectively to answer specific management questions regarding USAID-funded development assistance activities. (Chapter 540)

**FEDERAL ACQUISITION REGULATION (FAR):** The primary document containing the uniform policies and procedures for acquisition for all executive agencies. It is issued as Chapter 1 of Title 48, Code of Federal Regulations (CFR). (Chapters 302, 330, 501)

**FEDERAL FINANCIAL ASSISTANCE:** Assistance provided by a federal agency in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations, but not including direct federal cash assistance to individuals. It includes awards received directly from federal agencies, or indirectly through other units of state and local governments, educational institutions, and other nonprofit organizations. (Chapter 591)

**FINANCIAL SUSTAINABILITY:** The degree to which an organization collects sufficient revenues from sale of its services to cover the full costs of its activities, evaluated on an opportunity-cost basis. (Chapter 219)

**FULL FINANCIAL SUSTAINABILITY:** A situation in which the revenues an organization generates from its clients cover the full (opportunity) costs of its activities, thus allowing it to continue operating at a stable or growing scale without ongoing support from governments, donor agencies, or charitable organizations. When applied to a microfinance institution, full financial sustainability requires that the interest and fees the MFI collects on its lending equal or exceed the sum of its operational and financial costs, with the latter evaluated on an opportunity-cost basis. (Chapter 219)

**GRANT:** A legal instrument where the principal purpose is the transfer of money, property, services or anything of value to the recipient in order to accomplish a public purpose of support or stimulation authorized by Federal statute and where substantial involvement by USAID is not anticipated. (Chapter 304) Money, or property provided in lieu of money, furnished by the Federal Government to recipients under programs that provide financial assistance or that provide support or stimulation to accomplish a public purpose. (Chapter 591)

**HIGHER EDUCATION:** Refers to education, training, research, and community service outreach at the postsecondary level. (Chapter 216)

**HOST COUNTRY:** The country receiving USAID assistance. (Chapters 301, (See also 305, 311, 322) **COOPERATING COUNTRY** and **LOCAL COUNTRY**)

**INDICATOR:** See **PERFORMANCE INDICATOR**. (Chapters 201, 202, 203)

**INHERENTLY GOVERNMENTAL FUNCTION:** A function that is so intimately related to the public interest as to mandate performance by Government employees. OMB Policy Letter 92-1 provides additional information and a list of functions considered to be inherently governmental functions. (Chapter 104)

**INITIAL ENVIRONMENTAL EXAMINATION:** An Initial Environmental Examination is the first review of the reasonably foreseeable effects of a proposed action on the environment. Its function is to provide a brief statement of the factual basis for a Threshold Decision as to whether an Environmental Assessment or an Environmental Impact Statement will be required. (Chapter 204)

**INPUT:** The provision of technical assistance, commodities, capital or training in addressing development or humanitarian needs. (Chapters 201, 202, 203)

**INTERIM EVALUATION:** A less than full evaluation of the performance of an employee, covering a period between 120 to 180 days, or when an employee is reassigned or transferred during the annual rating cycle, or whose supervisor changes prior to the end of the annual rating cycle. (Chapter 462)

**INTERIM PERFORMANCE TARGET:** A target value which applies to a time period less than the overall time period related to the respective performance indicator and performance target. (Chapters 201, 202, 203)

**INTERMEDIATE CUSTOMER:** A person or organization, internal or external to USAID, who uses USAID services, products, or resources to serve indirectly or directly the needs of the ultimate customers. (Chapters 201, 202, 203)

**INTERMEDIATE RESULT:** A key result which must occur in order to achieve a Strategic Objective. (Chapters 201, 202, 203)

**LESSON LEARNED:** The conclusions extracted from reviewing a development program or activity by participants, managers, customers or evaluators with implications for effectively addressing similar issues/problems in another setting. (Chapters 201, 202, 203, 540)

**LOCAL COUNTRY** (See also **HOST COUNTRY** and **COOPERATING COUNTRY**): The country to which assistance is being provided. (Chapter 305)

**LOCAL GOVERNMENT**: Any unit of local government within a state, including a county, borough, municipality, city, town, township, parish, local public authority, special district, school district, intrastate district, council of governments or other instrumentality of local government. (Chapter 591)

**MANAGEABLE INTEREST**: See **RESPONSIBILITY** (Chapters 201, 202, 203)

**MISSION**: The USAID Mission or representative in a cooperating country. (Chapter 310)

**NON-PROFIT ORGANIZATION**: Any corporation, trust, association, cooperative or other organization that is operated primarily for service, charitable, scientific, educational or other similar purposes; is not organized for profit; and uses its net proceeds to maintain, improve and/or expand its operations. (Chapter 591)

**OPERATING UNIT**: USAID field mission or USAID/W office or higher level organizational unit which expends program funds to achieve a Strategic Objective, Strategic Support Objective, or Special Objective, and which has a clearly defined set of responsibilities focused on the development and execution of a strategic plan. (Chapters 201, 202, 203, 204)

**OPERATING UNIT GOAL**: A higher level development result to which an operating unit contributes, but which lies beyond the unit's level of responsibility. An operating unit goal is a longer term development result that represents the reason for achieving one or more objectives in an operating unit strategic plan. An operating unit goal may be identical to an Agency goal, but is normally distinguished from it in several key ways. An Agency goal is a long-term general development objective, in a specific strategic sector, that USAID works toward, and represents the contribution of Agency programs working in that sector. An operating unit goal is optional and represents a long-term result in a specific country or program to which an operating unit's programs contribute, and may cross sector boundaries. (Chapters 201, 202, 203)

**ORGANIZATION**: An official, identifiable work unit within USAID that is recognized by a unique title, abbreviation, and code number. (Chapter 102)

**OUTPUT**: The product of a specific action, e.g., number of people trained, number of vaccinations administered. (Chapters 201, 202, 203)

**PARTICIPATION**: The active engagement of partners and customers in sharing ideas, committing time and resources, making decisions, and taking action to bring about a desired development objective. (Chapters 101, 201, 202, 203)

**PARTNER**: An organization or customer representative with which/whom USAID works cooperatively to achieve mutually agreed upon objectives and intermediate results, and to secure customer participation. Partners include: private voluntary organizations, indigenous and other international non-government organizations, universities, other

USG agencies, U.N. and other multilateral organizations, professional and business associations, private businesses (as for example under the U.S.-Asia Environmental Partnership), and host country governments at all levels. (Chapters 101, 102, 201, 202, 203)

**PARTNER REPRESENTATIVE:** An individual that represents an organization with which USAID works cooperatively to achieve mutually agreed upon objectives. (Chapters 201, 202, 203)

**PARTNERSHIP:** An association between USAID, its partners and customers based upon mutual respect, complementary strengths, and shared commitment to achieve mutually agreed upon objectives. (Chapters 101, 102, 201, 202, 203)

**PERFORMANCE BASELINE:** The value of a performance indicator at the beginning of a planning and/or performance period. A performance baseline is the point used for comparison when measuring progress toward a specific result or objective. Ideally, a performance baseline will be the value of a performance indicator just prior to the implementation of the activity or activities identified as supporting the objective which the indicator is meant to measure. (Chapters 201, 202, 203)

**PERFORMANCE INDICATOR:** A particular characteristic or dimension used to measure intended changes defined by an organizational unit's results framework. Performance indicators are used to observe progress and to measure actual results compared to expected results. Performance indicators serve to answer "how" or "whether" a unit is progressing towards its objective, rather than why/why not such progress is being made. Performance indicators are usually expressed in quantifiable terms, and should be objective and measurable (numeric values, percentages, scores and indices). Quantitative indicators are preferred in most cases, although in certain circumstances qualitative indicators are appropriate. (Chapters 201, 202, 203, 250)

**PERFORMANCE INFORMATION:** The body of information and statistical data that directly relates to performance towards overall USAID goals and objectives, as well as operating unit Strategic Objectives, Strategic Support Objectives and Special Objectives. Performance information is a product of formal performance monitoring systems, evaluative activities, customer assessments and surveys, Agency research and informal feedback from partners and customers. (Chapters 201, 202, 203)

**PERFORMANCE MEASURE:** Statements of expectations or requirements that demonstrate an employee's achievement of a given work objective. (Chapter 462)

**PERFORMANCE MEASUREMENT:** A means of evaluating efficiency effectiveness, and results. A balanced performance measurement scorecard includes financial and nonfinancial measures focusing on quality, cycle time, and cost. Performance measurement should include program accomplishments in terms of outputs and outcomes. (Chapter 594)

**PERFORMANCE MONITORING:** A process of collecting and analyzing data to measure the performance of a program, process, or activity against expected results. A defined set of indicators is constructed to regularly track the key aspects of performance.

Performance reflects effectiveness in converting inputs to outputs, outcomes and impacts (i.e., results). (Chapters 201, 202, 203)

**PERFORMANCE MONITORING PLAN:** A detailed plan for managing the collection of data in order to monitor performance. It identifies the indicators to be tracked; specifies the source, method of collection, and schedule of collection for each piece of datum required; and assigns responsibility for collection to a specific office, team, or individual.

- a) At the Agency level, it is the plan for gathering data on Agency goals and objectives.
- b) At the Operating Unit level, the performance monitoring plan contains information for gathering data on the Strategic Objectives, intermediate results and critical assumptions included in an operating unit's results frameworks. (Chapters 201, 202, 203, 250)

**PERFORMANCE MONITORING SYSTEM:** An organized approach or process for systematically monitoring the performance of a program, process or activity towards its objectives over time. Performance monitoring systems at USAID consist of, inter alia: performance indicators, performance baselines and performance targets for all Strategic Objectives, Strategic Support Objectives, Special Objectives and Intermediate Results presented in a results framework; means for tracking critical assumptions; performance monitoring plans to assist in managing the data collection process; and the regular collection of actual results data. (Chapters 201, 202, 203)

**PERFORMANCE TARGET:** The specific and intended result to be achieved within an explicit timeframe and against which actual results are compared and assessed. A performance target is to be defined for each performance indicator. In addition to final targets, interim targets also may be defined. (Chapters 201, 202, 203, 250)

**POLICY:** Clear and concise policy mandates that are required for the Agency to conduct its business. Mandates that place accountability and responsibility. Rules, regulations, and direction specifically required for the Agency to follow as it carries out its work. (Chapter 501)

**PRE-AWARD SURVEY:** An evaluation of a prospective recipient's ability to perform under a Government sponsored agreement. Such surveys are normally limited to assessing the adequacy of the recipient's accounting system to accumulate cost information under an agreement and/or the financial capability to perform under a prospective award. Surveys may also encompass technical, production and quality assurance considerations. (Chapter 591) (Chapter 591)

**RAPID, LOW-COST EVALUATIONS:** Analytic or problem-solving efforts which emphasize the gathering of empirical data in ways that are low-cost, timely, and practical for management decision making. Methodological approaches include mini-surveys, rapid appraisals, focus groups, key informant interviews, observation, and purposive sampling, among others. (Chapters 201, 202, 203)

**RECIPIENT:** An organization receiving direct financial assistance (a grant or cooperative agreement) to carry out an activity or program. (Chapters 303, 305, 591)

**REQUESTS FOR APPLICATIONS:** Invite interested parties to submit applications for USAID assistance and explain what the application should contain, how it should be

written, and the evaluation criteria to be used. (Chapter 303)

**RESPONSIBILITY:** In the context of setting Strategic Objectives, responsibility refers to a guiding concept which assists an operating unit in determining the highest level result that it believes it can materially affect (using its resources in concert with its Development Partners) and that it is willing to use as the standard for the judgment of progress. This has also been referred to as manageable interest. (Chapters 201, 202, 203) A similar concept applies when USAID assigns responsibility to a grant or cooperative agreement Recipient to achieved results.

**RESULT:** A change in the condition of a customer or a change in the host country condition which has a relationship to the customer. A result is brought about by the intervention of USAID in concert with its Development Partners. Results are linked by causal relationships; i.e., a result is achieved because related, interdependent result(s) were achieved. Strategic Objectives are the highest level result for which an operating unit is held accountable; intermediate results are those results which contribute to the achievement of a Strategic Objective. (Chapters 201, 202, 203)

**RESULTS FRAMEWORK:** The results framework represents the development hypothesis including those results necessary to achieve a Strategic Objective and their causal relationships and underlying assumptions. The framework also establishes an organizing basis for measuring, analyzing, and reporting results of the operating unit. It typically is presented both in narrative form and as a graphical representation. (Chapters 201, 202, 203) In the context of defining a program objective, it is necessary to identify the critical results (or interrelated changes) which are necessary to accomplish that objective. This analysis will produce a results framework which must provide enough information so that it adequately illustrates the development hypothesis (or cause and effect linkages) represented in the strategy and thereby assists in communicating the basic premise of the strategy. The results framework must also be useful as a management tool and therefore focuses on the key results which must be monitored to indicate progress. (Chapter 250)

**RESULTS PACKAGE:** A results package (RP) consists of people, funding, authorities, activities and associated documentation required to achieve a specified result(s) within an established time frame. A RP is managed by a Strategic Objective Team (or a results package team if established) which coordinates the development, negotiation, management, monitoring and evaluation of activities designed consistent with: (1) the principles for developing and managing activities; and (2) achievement of one or more results identified in the approved results framework. The purpose of a results package is to deliver a given result or set of results contributing to the achievement of the Strategic Objective. The Strategic Objective Team will define one or more RPs to support specific results from the results framework.

The SO Team may elect to manage the package or packages itself, or may create one or more subteams to manage RPs. In addition, Strategic Objective Teams create, modify and terminate results packages as required to meet changing circumstances pursuant to the achievement of the Strategic Objective. Thus, typically a results package will be of shorter duration than its associated Strategic Objective. (Chapters 201, 202, 203, 204,

The formal analysis of a potential assistance activity conducted by USAID that addresses the anticipated benefits, resources required, collateral effects of the activity. (Chapter 305)

**RESULTS PACKAGE TEAM:** A group of people who manage a results package. The results package team is established by a parent Strategic Objective Team. (Chapter 250)

**RESULTS REVIEW AND RESOURCE REQUEST (R4):** The document which is reviewed internally and submitted to USAID/W by the operating unit on an annual basis. The R4 contains two components: the results review and the resource request. Judgment of progress will be based on a combination of data and analysis and will be used to inform budget decision making. (Chapters 103, 201, 202, 203, 204, 250)

**REVIEW WORKSHOPS:** Workshops which involve key participants in an SO/RP or even a particular element of an RP in collectively evaluating performance during the previous implementation period and planning for the forthcoming period. Participants are normally representatives of partners, customers, counterparts, other donors, stakeholders, and USAID. Successful workshops are often facilitated to assure that all perspectives are heard and that key findings and conclusions and consensus on modifications and plans is documented and distributed. (Chapters 201, 202, 203)

**SPECIAL OBJECTIVE:** The result of an activity or activities which do not qualify as a Strategic Objective, but support other US government assistance objectives. A Special Objective is expected to be small in scope relative to the portfolio as a whole. (Chapters 201, 202, 203, 204)

**STAKEHOLDERS:** Individuals and/or groups who have an interest in and influence USAID activities, programs and objectives. (Chapters 201, 202, 203, 253) Those individuals and/or groups who exercise some type of authority over USAID resources, e.g., Congress, OMB, Department of State; and those who influence the political process, e.g., interest groups and taxpayers. (Chapter 102)

**STRATEGIC OBJECTIVE:** The most ambitious result (intended measurable change) that a USAID operational unit, along with its partners, can materially affect and for which it is willing to be held responsible. The Strategic Objective forms the standard by which the operational unit is willing to be judged in terms of its performance. The time-frame of a Strategic Objective is typically 5-8 years for sustainable development programs, but may be shorter for programs operating under short term transitional circumstances or under conditions of uncertainty. (Chapters 201, 202, 203, 204)

**STRATEGIC OBJECTIVE AGREEMENT:** A formal agreement that obligates funds between USAID and the host government or other parties, setting forth a mutually agreed upon understanding of the time frame, results expected to be achieved, means of measuring those results, resources, responsibilities, and contributions of participating entities for achieving a clearly defined Strategic Objective. Such an agreement between USAID and the host government may allow for third parties (e.g., NGOs, PVOs, and the academic community) to enter into sub-agreements with either USAID or the host

government or both to carry out some or all of the activities required to achieve the Strategic Objective. (Details in Series 300.) (Chapters 201, 202, 203)

**STRATEGIC OBJECTIVE GRANT AGREEMENT (SOAG):** The SOAG is the principal bilateral (Government to Government) grant agreement used by USAID. A SOAG is composed of the Principal Text; Annex 1, Amplified Description; and Annex 2, Standard Provisions. (Chapter 350)

**STRATEGIC OBJECTIVE TEAM:** In general, a team is a group of people committed to a common performance goal for which they hold themselves individually and collectively accountable. Teams can include USAID employees exclusively or USAID, Development Partner, stakeholder and customer representatives. An SO Team is a group of people who are committed to achieving a specific Strategic Objective and are willing to be held accountable for the results necessary to achieve that objective. The SO Team can establish subsidiary teams for a subset of results or to manage a results package. (Chapters 201, 202, 203, 204)

**STRATEGIC PLAN:** The framework which an operating unit uses to articulate the organization's priorities, to manage for results, and to tie the organization's results to the customer/beneficiary. The strategic plan is a comprehensive plan which includes the delimitation of Strategic Objectives and a description of how it plans to deploy resources to accomplish them. A strategic plan is prepared for each portfolio whether it is managed at a country level, regionally, or centrally. (Chapters 201, 202, 203, 204)

**STRATEGIC SUPPORT OBJECTIVE:** Strategic Support Objectives are intended to capture and measure a regional or global development objective which is dependent on the results of other USAID operating units to achieve the objective but to which a global or regional program makes an important contribution. Therefore, the key differentiation from a Strategic Objective, as defined above, is that there is a recognition that the achievement of the objective is accomplished and measured, in part, through the activities and results at the field mission level. (Chapters 201, 202, 203, 204)

**SUBGOAL:** A higher level objective which is beyond the operating unit's responsibility but which provides a link between the Strategic Objective and the operating unit goal. Inclusion in operating unit plans is optional. (Chapters 201, 202, 203)

**SUBRECIPIENT:** Any person or government department, agency, establishment or nonprofit organization that receives financial assistance to carry out a program through a primary Recipient or other subrecipient. (Chapter 591)

**SUSTAINABLE DEVELOPMENT:** Continued economic and social progress that rests on four key principles: improved quality of life for both current and future generations; responsible stewardship of the natural resource base; broad-based participation in political and economic life; and effective institutions which are transparent, accountable, responsive and capable of managing change without relying on continued external support. The ultimate measure of success of sustainable development programs is to reach a point where improvements in the quality of life and environment are such that external assistance is no longer necessary and can be replaced with new forms of

diplomacy, cooperation and commerce. (Chapter 101)

TARGET: See PERFORMANCE TARGET. (Chapters 201, 202, 203)

TEAM: A group of individuals coming together through consensus to achieve agreed-to objectives or results. Teams may be comprised of employees of USAID and/or other federal agencies, partners, customers, and contractors. A team may or may not exist as an official organization unit. When serving as an organization unit, it functions within a bureau, independent office or mission, as a Level II or below organization. Ideally, a team is a self- directed group of people who are responsible and accountable for accomplishing a set of results or a work process. (Chapter 102)

TEAMWORK: The process whereby a group of people work together (often by dividing tasks among members based on relative skills) to reach a common goal, to solve a particular problem, or to achieve a specified set of results. (Chapter 102)

ULTIMATE CUSTOMER: Host country people who are end users or beneficiaries of USAID assistance and whose participation is essential to achieving sustainable development results. (Chapters 201, 202, 203)

USAID ACQUISITION REGULATION (AIDAR): USAID's supplement to the FAR, issued as Chapter 7 of Title 48 CFR. (Chapters 302, 330)

VIRTUAL TEAM: Members of a team who are not collocated and therefore participate primarily through telecommunication systems. (Chapters 201, 202, 203)

# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK



Sourcebook  
Home



Administrator's  
Message



Results-Oriented  
Assistance  
Instruments



USAID's Core  
Values



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Sources and  
Resources



Feedback

## Feedback

We do hope you avail yourself of the opportunity to contribute to the improvement of the information available. Send us your suggestions for improving content, adding related sites, updating links and FAQs, and highlighting other best practices.

**Thank you!**

[Sourcebook Team](#)

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(Revised Oct 10, 1999)

# **U.S. Agency for International Development**

## **Policy Guidance**

# **USAID - U.S. PVO Partnership**

**Bureau for Policy and Program Coordination**

**U.S. Agency for International Development**

**Washington, D.C. 20523**

**April 13, 1995**

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# **USAID-U.S. PVO PARTNERSHIP**

## **I. POLICY FRAMEWORK**

USAID views its partnerships with U.S. private voluntary organizations (PVOs) and cooperative development organizations (CDOs) as evolving relationships. Partnership means striving to achieve mutual goals by sharing resources, risks, benefits and accountability. Partnership is characterized by cooperation, collaboration and complementarity, and is based on the principles of mutual respect, shared objectives, consultation and participation. It is through these channels that USAID hopes to forge closer and more effective working relationships with PVOs.

U.S. PVOs reflect American principles of pluralism and diversity, and provide vehicles for this country's compassion and humanitarian concerns. Similarly, PVOs can tap significant resources for development and humanitarian response that otherwise would not be available. While the PVO community is extraordinarily diverse, and generic conclusions with respect to individual institutional strengths and comparative advantages can be misleading, PVOs are important partners with USAID in pursuit of development and humanitarian goals.

U.S. PVOs have played an important role in stimulating the growth and vitality of indigenous NGOs in many countries. There has been a worldwide expansion in the level of voluntary activity and in the number and variety of indigenous NGOs. The ascendance of indigenous NGOs is a striking phenomenon of the post-Cold War era. It has been fueled by the shift toward democratic forms of government, the opening of previously closed societies, the increase in complex, long-term humanitarian assistance activities, a heightened awareness of the importance of community solutions to social problems and a growing understanding of the link between local and global issues.

The relationships between USAID and PVOs are based on considerable areas of consensus, such as:

- \* A commitment to people-centered economic, social and political development that addresses issues of gender, age, ethnicity, and other critical factors that affect access to the development process and the sustainability of development results;

- \* An appreciation of the importance of community-based solutions to social, economic and environmental problems;
- \* A broadly-held view that effective development and sustainable development are synonymous;
- \* Agreement that humanitarian assistance, when appropriate, should be integral to an overall approach to achieve sustainable development;
- \* Agreement on the importance of broad-based economic growth and the need to address root causes of poverty;
- \* Agreement on the importance of a flourishing private sector, both as an engine of economic growth and as a repository of the principles of democratic pluralism;
- \* Agreement that participatory development strengthens the fabric of civil society and provides opportunities for broad-based equitable growth; and

A commitment to the principle of self-help and a belief that people in developing countries and emerging democracies want to improve their lives.

While acknowledging those areas where USAID and PVO interests overlap, it must be recognized that their motivations, interests and responsibilities are not and should not be identical. It is to be expected that USAID and PVOs each will pursue goals related to their particular concerns and objectives and, at the same time, will work together on common priorities. Programmatic interests, therefore, may not always coincide.

As USAID goals shift to reflect changing world conditions, PVOs can make positive contributions to the evolutionary process. Changing USAID priorities also will help shape the shifting priorities of PVOs. This interactive process -- at the heart of the USAID-U.S. PVO partnership -- can be constructive and mutually beneficial by balancing a careful respect for the principles of privateness and independence with the maintenance of clear, results-oriented standards of accountability in the pursuit of mutually agreed objectives.

## **II. POLICY PRINCIPLES**

Within the above framework, the USAID-PVO partnership will draw upon, respond to, and incorporate the following policy principles.

**A. CONSULTATION.** Consultation occurs when USAID draws on the experience and knowledge of PVOs, individually or collectively, by soliciting their advice, suggestions and comments. The congruence of objectives between USAID and the PVO community can be deepened, sustained and better defined through a structured process of consultation and dialogue, both in Washington and the field. PVOs have a commitment to people-centered economic, social and political development, maintain close contact with indigenous populations, and appreciate the importance of community-based solutions to social and economic problems. As a result, PVOs have a sound basis for assisting USAID missions and other operational units (USAID missions or organizations at the office level or above that expend program funds to achieve strategic objectives) to analyze, develop a sound strategic framework for, and implement successful sustainable development.

PVOs and USAID will work together more effectively if they have better communication at all levels, from USAID/Washington to field missions, and from matters of policy and program strategy to activity design. USAID policy is to foster the USAID-PVO partnership by engaging in consultation with PVOs on a broad range of issues beginning at the earliest stages of the strategic planning process. USAID consultation with PVOs includes the following elements:

- \* USAID's policy-making shall be structured to ensure appropriate and relevant input from PVOs in a manner that does not compromise the independence of either, and which is consistent with the identity of PVOs as private entities and the role of USAID as an agency of the U.S. Government, under its foreign policy guidance. USAID's policy-making also must incorporate the views and perspectives of indigenous NGOs, including women's organizations; and

- \* USAID and its operational units shall establish regular, ongoing consultative processes with a broad cross-section of PVO and indigenous NGO communities. The consultative process should be open, comprehensive and candid, drawing upon the views, insights and suggestions of PVOs and indigenous NGOs. It must be integrated with the USAID strategic planning and programming processes and structured to assist in shaping programmatic priorities and the design of individual activities. (See Sec. III.A.)

**B. PARTICIPATION.** Broad-based, equitable participation is vital to sustainability and to the success of development efforts. Participatory processes promote a sense of ownership and increase the probability that the development effort will be sustained. It is USAID policy (see Administrator's Statement of Principles on Participatory Development, Dec. 16, 1993) to build opportunities for participation by host country organizations and peoples into the development processes in which the Agency and its PVO partners are involved.

- \* Participatory mechanisms shall be developed and carried out in a way that ensures that host country organizations and people (female and male, young and old, different ethnic groups, and others) are provided with opportunities to define their developmental priorities and approaches;

- \* USAID will look to PVOs with in-depth local experience to assist in designing and implementing participatory mechanisms to ensure that USAID strategic objectives and activities reflect the priorities and values of those in the host country who will have to sustain the development effort;

- \* USAID will seek to work with indigenous NGOs as development partners, and to that end will provide support to their activities when these relate to USAID program priorities;

- \* USAID will seek partners that are skilled in and committed to supporting the initiatives of host-country organizations, strengthening institutions and empowering people in the host society; and

- \* Activities shall be designed, implemented, and evaluated in ways that encourage responsiveness in providing services to the end-user.

**C. PROGRAM INTEGRATION AND MANAGING FOR RESULTS.** USAID's commitment to managing for results (see USAID Directive for Setting and Monitoring Program Strategies, May 1994) necessitates full integration of all USAID-funded programs and projects into USAID's strategic plans and

objectives. Such integration is crucial for maximizing the effectiveness and sustainable development impact of scarce USAID resources. USAID policy is that all USAID-funded programs operating in a country, including those of PVOs, shall address USAID's country, regional or global relief and development priorities, whether the program is funded from USAID/Washington or a field mission. Elements of USAID's policy regarding managing for results and program integration include the following:

- \* USAID's strategic plans shall define the objectives, performance targets and indicators for USAID's development and emergency relief priorities. Through an active consultative process, USAID will seek to take into account areas of mutual interest between the Agency, host countries and PVOs in setting priorities and allocating resources; and

- \* In implementing its programs, USAID shall capitalize on the diverse backgrounds and experiences of PVOs, which enable them to provide practical solutions to difficult development and humanitarian problems.

(Policy guidance on activities in USAID non-presence countries is covered under Approved Action Memorandum, "Mission Closeout -- Continuing Activities," dated June 15, 1994.)

**D. INDEPENDENCE.** USAID views PVOs as its development and relief partners, both as intermediaries for USAID programs and as independent entities in their own right. USAID policy is to work with PVOs in both capacities. A PVO's relationship with USAID must not result in a loss of the PVO's private and independent character since, without independence, the fundamental values associated with PVOs and USAID's working with them are diminished.

While an organization's ability to maintain its independence depends on a variety of factors, undue dependence on a single source of funding can jeopardize the role of PVOs, not just as independent entities, but also as intermediaries for USAID programs. The "privateness requirement" legislated by Congress is designed to address this potential problem by establishing that U.S. PVOs must receive at least 20 percent of their financial support for overseas activities from non-USG sources. The purpose of this requirement is threefold: (1) to discourage dependence on USG financing of U.S. PVOs' international programs, thereby ensuring that U.S. PVOs maintain their independence of action; (2) to ensure that U.S. PVOs continue to leverage additional financial resources for development; and (3) to build an awareness of international development and humanitarian issues and programs among the American public. Elements of USAID's policy regarding independence include the following:

- \* USAID shall apply the legislatively-mandated "privateness requirement" in determining a U.S. PVO's eligibility for development assistance funds;

- \* The degree of PVO autonomy in designing and implementing USAID-funded activities will depend on the type of assistance instrument used. Under a grant, a PVO must be free to manage its own program as agreed to in the program description of the grant agreement. On the other hand, under a cooperative agreement, USAID shall define those specific areas where USAID's substantial involvement during the performance of the program is desirable to achieve the program's objectives; and

- \* Within the context of USAID's commitment to managing for results, PVOs receiving USAID funds are responsible for tracking the progress of approved activities, adjusting those activities as needed, and ultimately achieving agreed upon objectives.

**E. SUPPORT FOR RELATIONSHIPS OF U.S. PVOs AND INDIGENOUS NGOs.** Indigenous NGOs, as part of the host society, can serve as a voice for the interests and perspectives of the communities or groups they serve. Indigenous NGOs also may be stakeholders in, or initiators of, the development changes USAID is supporting.

Among other critical preconditions, sustainable development is much more likely to occur in countries where there is a strong indigenous NGO sector. Experiences throughout the world have shown that an active nongovernmental sector is essential for socioeconomic development and for the establishment of a vibrant and effective civil society. Indigenous NGOs have demonstrated their capacity to mobilize communities and to act as intermediaries between governments and their people. Indigenous NGOs can be more efficient and effective than state agencies in the provision of services.

U.S. PVOs can play a key supporting role in collaborating with indigenous NGOs. U.S. PVOs can provide advice to USAID based on expertise that may include a broad view of a problem or development approach, drawn from world-wide experience, or based on in-depth understanding of the values and practices in the host countries. As implementers working in partnership with USAID, U.S. PVOs can bring great technical expertise in a given sector; people-to-people linkages with American institutions and know-how; financial and political support of the American people for the mission of foreign assistance; the ability to communicate effectively across cultures; and expertise in many of the institutional issues facing host-country NGOs.

USAID policy is that the Agency must capitalize on the growing role, importance and capacity of indigenous NGOs:

- \* As the responsibility for direct service delivery increasingly shifts from U.S. PVOs to indigenous NGOs, U.S. PVOs have a vital role to play as trainers for, and supporters and facilitators of, indigenous NGO-implemented activities; and
- \* USAID shall actively encourage the formation of effective partnership relations between U.S. PVOs and indigenous NGOs.

**F. CAPACITY BUILDING.** USAID policy is that support for institutional capacity building is an essential component of a focused, results-oriented strategy, and is integral to the concept of sustainable development. Elements of USAID's policy regarding capacity building include the following:

- \* USAID shall facilitate the provision of direct assistance to indigenous NGOs to strengthen their capacity and support their development activities;
- \* USAID shall invest in strengthening the institutional capacity of U.S. PVOs when this will help them to be more effective in working in USAID priority areas and in forming collaborative relations with indigenous NGOs;
- \* USAID shall assist U.S. PVOs to build their capacity to assist indigenous NGOs where the assistance will strengthen the ability of the indigenous NGO to function in USAID priority areas; and
- \* USAID must recognize the diverse size and structure of PVOs, and invest in strengthening the institutional capacity of PVOs, when this will help them to be more effective in working in USAID priority areas.

**G. USAID-PVO COST-SHARING.** USAID policy is that the principle of cost-sharing is an important

element of the USAID-PVO relationship, but that its application should be flexible and case-specific. In designing and negotiating grants and cooperative agreements, USAID policy is to seek an appropriate level of financial participation from assistance recipients. Cost-sharing is synonymous with financial participation. Appropriate cost-sharing participation by assistance recipients is desirable because it can:

- \* Help ensure the PVO's active involvement in and commitment to USAID-supported activities;
- \* Enhance the likelihood that the PVO will continue project activities or otherwise work toward program goals after USAID support ends, thereby contributing to the furtherance of program goals;
- \* Help mobilize additional financial resources for activities;
- \* Limit USAID financing for activities to amounts that the PVO cannot obtain on its own, or which are otherwise unavailable for such activities; and
- \* Increase the coverage and effectiveness of USAID's limited budget resources.

Given the diverse circumstances and conditions that may define a relationship between USAID and a recipient of funds, the application of the cost-sharing principle shall be flexible and case-specific, and not be derived from a rigid centrally imposed formula.

When designing and negotiating a development activity with a U.S. PVO, the suggested point of reference is 25 percent financial participation (i.e., 25 percent of total activity costs to be borne by the PVO and 75 percent by USAID). Financial participation rates of less, or more, than 25 percent may be justified, as reasonable and appropriate, in terms of the PVO's financial resources and fund-raising capacity, USAID's objectives in joining with the PVO in the assistance activity, and/or where justified by USAID program objectives.

Decisions on specific financial participation requirements shall be made by the Agency officer authorizing the assistance activity at the operational unit level. (See Sec. III.B)

**H. SIMPLIFICATION.** USAID policy is that simplification of USAID administrative and grant-making requirements is essential to achieving an effective, results-oriented USAID-PVO partnership. Elements of USAID's policy regarding administrative simplification include the following:

- \* Systems and procedures that constitute the operational relationship between USAID and PVOs will facilitate the achievement of results-oriented program objectives;
- \* USAID shall, as a matter of policy, identify and implement measures to simplify and rationalize administrative, procedural, and contractual requirements across the spectrum, from registration to negotiation to implementation to audit, consistent with uniform government statutory and administrative requirements and with appropriate standards of accountability; and
- \* Any changes in policy or procedures must be rapidly and widely promulgated to USAID/Washington and field mission staff, and within the PVO/NGO community. Implementation of changes must be monitored to assure their full and uniform application.

### **III. OPERATIONAL GUIDANCE**

## A. USAID-PVO CONSULTATION

**1. OBJECTIVES:** The objectives of the USAID-PVO consultation process are: (a) to enhance the United States foreign assistance program by incorporating the experience and knowledge of PVOs in developing better USAID policies, country and sector strategies, activity designs and implementation; (b) to collaborate constructively in the delivery of development and humanitarian assistance when our interests are compatible; and (c) to increase the transparency of USAID's decision- and policy-making processes relevant to PVOs.

**2. CONSULTATIVE PROCESS:** Each USAID operational unit shall develop processes for consulting with those PVOs that conduct programs within the operational unit's areas of responsibility or which have expressed interest in doing so. USAID operational units function under varying conditions. While it is recognized that USAID operational units need flexibility in the design and implementation of their individual consultative processes, the principle and practice of consultation are fundamental to a productive and mutually supportive USAID-PVO partnership. Whatever consultative processes are selected, however, must be deliberately structured to be comprehensive, open and candid, and represent the views of both women and men from different age and ethnic groups, particularly the concerns of the poor, whether in rural or urban areas. Missions must be able to document their consultative processes when they submit strategies and/or action plans for review and approval. (See Agency Directive, "Setting and Monitoring Program Strategies," USAID/PPC, May 27, 1994, pg. 5; and Agency Directive, "Project Development Interim Directives," USAID/PPC, November 18, 1994, pg. 4 and pg. 10.)

**(a) Strategic Plans:** PVOs carry out a significant part of USAID's relief and development work. In accordance with the Agency Strategy Directive on "Setting and Monitoring Program Strategies," USAID operational units shall develop, update and monitor their strategic plans in consultation with PVO partners operating in the country or region.

**(b) Action Plans:** PVO perspectives, comments and suggestions shall be considered by USAID operational units as they prepare action plans. All operational units shall consult with PVOs during the annual preparation of action plans. This will provide PVOs with an opportunity to document their progress toward agreed targets and to offer comments and suggestions on proposed USAID performance indicators.

**(c) USAID-Wide Consultation:** USAID will consult with U.S. PVOs about other topics of broad general interest, as appropriate, including overall Agency policies and strategies, through the Advisory Committee on Voluntary Foreign Aid (ACVFA), which meets on a regular, periodic basis. The agenda for ACVFA meetings shall include at least annually a review of progress made in carrying out the USAID-U.S. PVO consultative process and may include recommendations regarding a work plan for the following year. USAID also must actively seek comments from the broad U.S. PVO community on policies and regulations under consideration that affect PVOs.

There are several legal and regulatory considerations to keep in mind when consulting with PVOs: the Federal Advisory Committee Act and, particularly, procurement integrity and organizational conflict of interest rules.

The Advisory Committee Act applies when the consultative process involves consensus advice from a group that contains one or more members who are not U.S. Government officials or employees. ACVFA is an example of a formal consultative body whose proceedings are subject to the requirements of the

Act. Obtaining the views of individuals, either in their personal capacities or as representatives of individual PVOs, whether meeting with them singly or as a group, is not covered by the Act. If a USAID operational unit wishes to seek the views of a group as a whole, it should contact Agency legal counsel about meeting the requirements of the Act.

While the procurement integrity law and organizational conflict of interest rules technically apply only to contracts, the basic principles underlying the rules (i.e., assuring that no organization has an unfair competitive advantage and that organizations are objective and provide the government impartial advice) shall apply to assistance relationships as well. Organizational conflicts of interest are most likely to occur as a result of consultation during the design of individual activities. Consultation may be appropriate for individual activities, but USAID operating units must be sure to make the same material available to PVOs who could not participate at the design stage, but are interested in implementation. Consultations should not be limited to a single PVO except in situations where it is clearly appropriate for the same PVO to implement the activity and competition is not an issue. USAID will develop additional guidance on organizational conflicts of interest in assistance relationships. When contracting is contemplated, the USAID operating unit must be aware of the regulatory requirements in the Federal Acquisition Regulation Subpart 9.5 and USAID's Contract Information Bulletin 94-2, "Organizational Conflicts of Interest."

## **B. USAID-PVO COST-SHARING**

**1. COST-SHARING DETERMINATIONS:** As noted in Sec. II.G, a 25 percent financial contribution shall be the reference point when negotiating a development activity with a U.S. PVO. Any cost-sharing requirement must be stated specifically in the activity announcement or request for applications. When a specific percentage of cost-sharing is not required for an assistance activity, the Agency official authorizing the activity shall base the decision about the exact amount of cost-sharing required, if any, upon a review of the following factors:

- \* Impact on project design or implementation, including prospects for sustainability;
- \* Qualifications of the organization to effectively implement the activity apart from its capacity to meet cost-sharing criteria;
- \* The extent to which a project responds to a USAID request or initiative;
- \* The linkage between cost-sharing and the degree of program independence to be accorded the organization in its relationship with USAID;
- \* The extent to which an activity generates equity and mobilizes savings by local partners;
- \* Impact on institutional health and viability;
- \* An assessment of realistic prospects for leveraging non-USG support; and
- \* The potential impact on organizational fund-raising strategies -- USAID funding should stimulate, not substitute for, effective organizational fund-raising strategies.

**2. EXAMPLES:** There may be circumstances where a PVO will participate in a development or relief activity technically but not financially. Following is a list of the most common examples of these situations. These examples are illustrative in nature, and are not meant to limit or to prescribe the specific cost-sharing decisions of the Agency official authorizing the assistance activity.

- \* PVOs acting as USAID intermediaries in implementing activities undertaken at USAID's initiative;
- \* PVOs established under USAID programs as unique resources to provide long-term capacity to support programs, and which have no substantial independent source of income;
- \* PVOs that have developed or could develop specific activities in response to USAID requirements, but are without substantial independent income to support such activities;
- \* PVOs working on activities and toward objectives of special importance to USAID; and
- \* PVOs established in support of specific provisions of the Foreign Assistance Act or other legislation, which at their outset had and for an undetermined period of time will have no independent source of income.

**3. DECISIONS:** The Agency officer authorizing the assistance activity makes the final determination regarding whether there will be, and the amount of, financial participation by an assistance recipient. The action memorandum signed by the Agency officer authorizing the assistance activity must describe the particular circumstances, conditions or considerations that constituted the rationale for the specific financial participation level required in the assistance activity being authorized.

In all competitions that are expected to result in a Cooperative Agreement, the request for applications must clearly state the level and purpose of cost-sharing required, if any.

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POLICY A/AID

5/22/95

**SUBJECT: Policy Principles for Award of Assistance Instruments to PVOs and NGOs for Development and Humanitarian Assistance**

On April 11, 1995, I signed the attached policy statement which lays out a framework for the Agency's procurement relationship with the nonprofit community of private voluntary organizations (PVOs) and non-governmental organizations (NGOs). The policy statement was developed by the Advisory Committee on Voluntary Foreign Aid (ACVFA) in collaboration with the Office of Procurement and the Office of Private and Voluntary Cooperation. The subjects covered include: the use of grants and cooperative agreements; the role of USAID staff in managing assistance instruments; advance planning of assistance actions; reporting requirements; and others.

The policy principles apply to the award of grants and cooperative agreements between USAID and PVOs and NGOs through the Agency's procurement system, which, as defined in the document, encompasses the entire process from identification of a program requirement, through allocation of funding, to final award and execution of a grant, cooperative agreement, or contract. As part of the Agency's reengineering and procurement reform agenda, the principles focus on clarity and consistency in the application of policies, as well as simplification of administrative procedures.

I strongly endorse these principles and am asking all staff to use them to guide the programming of assistance through PVOs and NGOs. In order to implement these principles fully, changes in Handbooks and operating procedures will be necessary. More detailed guidance will be developed by the Office of Procurement and communicated to staff in the upcoming weeks.

J. Brian Atwood

Point of Contact: Gary Kinney, M/OP, 703-875-1204

## **Policy Principles**

### **Principles For Award of Assistance Instruments to PVOs and NGOs for Development and Humanitarian Assistance**

#### **I. Introduction**

USAID views private voluntary organizations (PVOs) and non-governmental organizations (NGOs) as development partners - partners who are playing increasingly important roles in our assistance efforts. As USAID's relationships with these organizations have evolved and expanded, the system through which we engage their partnership has become more complex and burdensome. Increasingly, our administrative procedures have tended to hinder, rather than support, the achievement of our mutual development objectives.

The principles stated herein are based on the belief that a distinct set of administrative standards and procedures should govern USAID's relationship with nonprofits. The standards USAID uses should be simple, clear and consistent, and tailored to the unique strengths of the voluntary community.

This Policy Statement applies to the award of grants and cooperative agreements, which is the preferred method of cooperation between USAID and the PVO/NGO community. When contracts are solicited by USAID, the FAR/AIDAR procedures will be used, and PVOs and NGOs seeking such contracts will follow those Regulations.

These guiding principles are intended to assist missions and bureaus in applying consistent policies and procedures to assistance instruments for PVOs and NGOs. As used throughout this document, the term "procurement" encompasses the entire process from identification of a program requirement, through allocation of funding, to final award and execution of a grant, cooperative agreement, or contract.

In addition to providing basic parameters for USAID's relationship with PVOs/NGOs that deliver U.S. foreign assistance, this policy statement covers such issues as:

- ▶ the use of cooperative agreements, including guidelines for "substantial involvement;"
- ▶ the role of USAID staff in managing assistance instruments;
- ▶ advance planning of assistance actions;
- ▶ simplification of administrative approvals;
- ▶ the use of automation for increasing efficiency and access to the system; and

reporting requirements.

Other important issues, such as cost-sharing and streamlining of registration procedures, are covered in other documents.

## **II. Background**

The National Performance Review set in motion a government-wide re-evaluation of the federal procurement system to achieve greater efficiency, responsiveness and results. USAID's reinvention efforts over the past year spawned a comprehensive procurement reform agenda that is geared toward overhauling the way we administer all of our procurement activities.

During this process we have opened a dialogue with our PVO/NGO partners. The Advisory Committee on Voluntary Foreign Aid and InterAction have clearly communicated to us in public meetings this past year their views on the need for reform and specific recommendations for improvement. In addition, we have heard from numerous individual organizations and Agency staff.

Two important reports, the USAID/PVO Task Force Report and CDIE's draft study "Development Through PVOs and NGOs," also highlight areas in which PVOs, NGOs, and USAID staff experience difficulty with the system through which we provide assistance to the PVO/NGO community. Both reports suggested specific actions, calling for simplification and standardization of procedures, clear communication of reforms, and a shift in emphasis from micro-management to performance and results.

USAID's procurement reform efforts attempt to effect these changes. We are working to ensure a system that combines effective oversight with trust and confidence in our PVO/NGO partners.

## **III. Scope and Authority**

- A. Purpose of Principles. This policy statement is intended to provide guidance on broad principles to be applied in the award of assistance instruments (grants and cooperative agreements) to PVOs and NGOs.
- B. Scope and applicability. These principles describe USAID's general policies governing all assistance instruments (grants and cooperative agreements) with PVOs and NGOs.
- C. Modifications to principles and USAID Handbooks. Application of these principles will require substantial modification to existing language in USAID Handbooks, especially Handbook 13 and other documents. The principles themselves may be modified as USAID gains experience in implementing reforms.

The Agency encourages interested parties to identify and communicate changes that may be needed. A quality control unit has been established within the Office of Procurement to coordinate these suggestions and concerns, and also to establish uniformity of treatment during the process of providing assistance to PVOs and NGOs.

#### **IV. Definition of Terms**

- A. Procurement Contract. An instrument used for the acquisition, by purchase, lease, or barter, of property or services for the direct benefit, or use of USAID. A contract may also be used in any situation where USAID determines it is appropriate.
- B. Assistance Instrument. A grant or cooperative agreement.
- C. Grant. A conditional award of support where the purpose of the relationship is the transfer of money, property, services, or anything of value to the recipient in order to accomplish a public purpose of support or stimulation authorized by Federal statute and in connection with which substantial involvement by USAID is not contemplated.
- D. Cooperative Agreement. A conditional award of support where the purpose of the relationship is the transfer of money, property, services, or anything of value to the recipient in order to accomplish a public purpose of support or stimulation authorized by Federal statute and in which substantial involvement by USAID is contemplated in the agreement.
- E. Substantial Involvement. The degree of participation by USAID, as set out by the agreement, which is expected to include collaboration or participation in the management of the program.

#### **V. Policy Principles**

##### **A. General Policy**

As a matter of general policy, USAID must achieve a higher degree of standardization of policy and procedure governing procurement and the provision of assistance to PVOs and NGOs. There must be greater consistency by Agency staff in interpreting guidance related to procurement actions and assistance instruments. USAID has developed a Customer Service Plan which establishes performance standards for the Office of Procurement (M/OP). We are committed to maintaining the high standards set forth in this plan (see Attachment 1) in the provision of assistance to PVOs and NGOs.

Certain general principles will govern all USAID procurement and assistance instrument transactions. These are:

1. All written communications concerning the regulations, procedures, and actions that govern procurement and the provision of assistance will be clear and "user-friendly."
2. All USAID offices have responsibility for spacing procurement and assistance actions as evenly as possible throughout the year. To facilitate this process, USAID will make its internal funding allocations as early in the fiscal year as possible.
3. All USAID offices will ensure that their upcoming procurement and assistance actions are incorporated into the Office of Procurement's automated information system.
4. All contracting and technical officers with oversight responsibilities for assistance instruments will be trained in, and fully conversant with, all appropriate policies and procedures concerning those instruments, and will be expected to demonstrate sensitivity to the philosophy that undergirds USAID's relationship with the community eligible for such assistance.
5. Contracting, program and technical staff should collaborate and work as a team during project negotiation and implementation, so that the procurement and assistance process is coordinated and the number of separate meetings and communications is reduced.

## **B. Policies Governing Assistance Instruments To PVOs/NGOs**

The system through which USAID awards assistance instruments to PVOs and NGOs will be based on coherent policies that are interpreted and applied in a consistent manner by all operating units. The system will be efficient, transparent, and open to all PVOs and NGOs, including smaller organizations that have not traditionally done business with USAID.

USAID will work with PVOs and NGOs in an ongoing consultative process to review assistance requirements in light of the unique characteristics of PVOs/NGOs, and in light of the special considerations that arise for both USAID and PVOs in doing business overseas. USAID will seek relief from unduly constraining regulations via legal and/or regulatory means, wherever possible.

To the extent practicable, USAID will expand its pilot test for the pre-approval of organizations whose internal management systems meet established standards for the award of assistance instruments. USAID will permit referencing these standards in all assistance instruments between USAID and PVOs/NGOs which have such pre-approved standards.

PVOs and NGOs will be responsible for establishing and administering comprehensive management systems. USAID will expect PVOs and NGOs to exercise sound business judgment and to strive continually for greater cost and systems efficiency. PVOs and NGOs will commit to focus their programs on fundamental objectives and results, and will strive to have those results explicitly stated in the assistance instruments and related documentation.

Specific actions have already been taken to streamline USAID's award and management of assistance instruments. These recent reforms are summarized in Attachment 2.

The following four basic principles will govern all transactions related to assistance instruments between USAID and PVOs/NGOs:

1. Assistance instruments must be based on a level of trust between USAID and PVOs/NGOs, and should capitalize on the flexibility and creativity of the Agency's PVO/NGO partners.
2. The systems and procedures that constitute the operational relationship between USAID and the PVO/NGO community must support rather than impede the achievement of program objectives.
3. USAID contracting, program, and technical officers, with the full cooperation of PVOs and NGOs, must ensure that assistance instruments reflect a substantive concern for the achievement of fundamental goals and results, rather than a preoccupation with inputs and excessive documentation.
4. All USAID staff must follow prudent management, as opposed to micro-management, of assistance instruments. The responsibility for managing the programs and achieving results rests with the PVO and NGO recipients. USAID's role is to provide reasonable oversight, not to serve as "co-implementor" of the programs, which will be judged on outcomes.

The following additional specific principles must be applied to assistance instruments with PVOs and NGOs:

5. In determining the appropriate assistance instrument, USAID officers shall select cooperative agreements over grants only when it can be clearly demonstrated that substantial involvement will facilitate the achievement of program objectives.
6. The "substantial involvement" clause of cooperative agreements should be used as a mechanism for USAID involvement in the recipient's program only to the degree necessary for reasonable management oversight. Substantial involvement is not to be used as a device to provide undue oversight and control. Provisions for substantial involvement by USAID should be limited to those few which are essential to meet program requirements and assure achievement of mutual program objectives. The following provisions are considered essential:
  - a. approval of annual workplans;
  - b. approval of a limited number of key personnel; and
  - c. USAID approval of monitoring and evaluation plans, and USAID involvement in monitoring progress toward the achievement of program objectives during the course of the cooperative agreement.

Any additional provisions thought to be necessary by USAID because of unique program requirements must be justified by USAID at the time the agreement is negotiated or amended. A list of areas of anticipated substantial involvement that exceeds the above provisions may be an indication that a contract, rather than a cooperative agreement, would be the appropriate instrument.

7. Clear and articulate guidelines are needed on the use of competition in selecting and awarding grants and cooperative agreements, and on the circumstances under which competition is neither feasible nor appropriate. Among the specific areas to be covered are the following:

a. The circumstances and variables that guide determinations on the appropriate scope and range of competition, e.g., limiting eligible proposers to: only PVOs; all not-for-profits, including indigenous NGOs; open competition, but no profit or fee allowed; etc.

b. Procedures that ensure an open, equitable, and transparent process in circumstances where USAID units are amenable to receive and consider unsolicited proposals. This process will both provide ample lead time and ensure timely response and feedback to applicants from the responsible USAID office.

c. Policies, procedures, and standards guiding requests for and provision by USAID of award-related information on a post-award basis. This guidance should include a process for de-briefing non-successful organizations and clarification of the procedures whereby an organization may request resolution of issues arising from the award process, in writing, to USAID's procurement executive, with the expectation that the issues will be investigated and, if justified, corrected.

d. Appropriate policies that address organizational conflict of interest as it applies to assistance instruments.

8. Reporting requirements should be standardized to the maximum extent possible and limited to the minimum number of reports necessary for monitoring and reporting on program performance. Program reporting requirements should aim to generate only essential information that will be used by the recipient of the report.

## **VI. Coordination**

USAID's procurement reform agenda is coordinated by the Quality Control Unit in the Office of Procurement. Responsibility for coordination and follow-up on these policies rests with that office.

Attachments:

[Attachment 1. Phase I Customer Service Plan](#)

[Attachment 2. Summary of Recent USAID Procurement Issues](#)

### **Attachment 2: Summary of Recent USAID Procurement Reforms**

1. As of July 11, 1994 (by cable - State 184498, dated 7/11/94) the cost-sharing requirement for registered PVOs has been modified to require "the largest reasonable and possible financial participation" of recipients, using a 25 percent contribution as a reference point. The Agency officer who authorizes the assistance activity will determine on a case-specific basis the appropriate amount of financial contribution from the PVO.

2. By General Notice of August 5, 1994, USAID instituted these specific reforms applicable to assistance instruments:

- a. Systems approvals: Procedures have been developed for approving recipients' financial systems and procurement, personnel, and travel policies.
- b. Salary approvals: There is no requirement under grants and cooperative agreements for approval of contractors' salaries above the ES-6 level.
- c. Individual Consultants: No approvals are required for hiring individual consultants.
- d. Key personnel approvals: No more than five persons, or five percent of the total number of employees, may be designated as "key" personnel, over which USAID is permitted to exercise approval. In addition, there is no requirement to submit multiple candidates for key positions.
- e. International travel: The recipient is required to notify the USAID project officer of travel plans; it is the responsibility of the project officer to check with the Mission(s) and notify the recipient if such travel was not approved.
- f. Trip reports are to be included in regular progress reports and not submitted separately.

3. **Audit: Non-U.S.** NGOs that receive less than \$100,000 per year agreement in direct USAID funding (up to a total of \$250,000 per year) no longer are required to follow OMB Circular A-133 audit requirements. (Source: USAID General Notice dated 5/6/94)

4. **Customer Service Plan:** A customer service plan which establishes performance standards for the USAID Office of Procurement (M/OP) has been put into place. M/OP will make non-competitive awards within 90 days and competitive awards within 150 days. M/OP will modify contracts and grants within 90 days of receipt of requests for action from line offices.

[Back to Awarding Results-Oriented Assistance Instruments](#)

# RESULTS-ORIENTED ASSISTANCE: a USAID SOURCEBOOK

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## Empowerment: Best Practices

*We can't just tell employees to get involved in improving their work. We have to teach them about customers, about data, about variation, about processes; and we as managers have to learn all of this ourselves. Then we can create systems that allow them to share ideas and take action on behalf of customers without getting penalized. It is by this path that we delight all our stakeholders: customers, employees, shareholders, suppliers, and communities.*

Brian L. Joiner Fourth Generation Management: the New Business Consciousness (1994)

*Empowerment is an important condition, but empowerment without focus is anarchy.*

Best-in-class Partner

*Alignment is the necessary condition before empowering the individual will empower the whole team.*

Peter Serge (1990)

Active participation in the planning process and in the setting of strategic direction helped the NPR Best-in-class partners garner the best ideas of the workforce and helped create buy-in to the organization's direction. Generally, people expected to achieve results were empowered to fulfill that responsibility.

The Best-in-class partners recognize the importance of building organizational capacity that is centered on people and processes. Organizational capacity concerns the commitment of people to an organizational ideal as a necessary ingredient of success. Focus on capacity forces companies to:

- ▶ Consider staff capabilities.
- ▶ Ensure that staff have necessary knowledge, skills, and tools for success.
- ▶ Provide whatever training is needed to ensure achievement of objectives.
- ▶ Emphasize process management as a way of ensuring that inefficient and ineffective processes do not get in the way of the drive to success.
- ▶ Adopt and employ a volume of best practices to help units be their best.
- ▶ Measure individual contributions to the team and team contributions to the unit.
- ▶ Compensate dimensions of performance.

The good news is teams can learn new behaviors just like individuals. Teams can learn:

- ▶ How to communicate more effectively,
- ▶ How to solve their problems more effectively,
- ▶ How to have meetings that accomplish something without killing people,
- ▶ Many ways to make decisions (and how to decide which way is best),
- ▶ How to implement decisions once they are made,
- ▶ How to handle conflict constructively,
- ▶ How to care for their members,
- ▶ How to diagnose their own problems and resolve them, and
- ▶ How to act more and more ethically over time.

There are some rules of thumb with regard to working and learning as a team:

- ▶ Solving problems, making decisions, and working through conflict within a team are very different than doing so individually
- ▶ Most current organizational reforms ask that diverse groups of people learn to deal with each other in different ways. This sounds incredibly simple. It is incredibly difficult to implement in reality.
- ▶ There are people who do not value collaboration. It is often impossible to deal with such individuals collaboratively.
- ▶ Just like people, organizations can range from extremely healthy to pathologically sick.

## EMPOWERED TEAMS

To foster productive teamwork, the [Dominican Republic Mission](#) staff needed to learn new skills and embrace different attitudes. Empowered teams must:

- ▶ Commit to a team approach for Mission operations, including an understanding of the advantages of team models and expected benefits.
- ▶ Conduct appropriate team startup activities that enable teams to clarify their mandate and purpose, establish performance goals, develop and agree on team working agreements, and develop a work plan.
- ▶ Create and maintain a team learning framework that will enable the team to be conscious of its learning and manage its continuous improvement.
- ▶ Test and develop models of high-performing teams: small groups of staff with complementary skills who are committed to a common purpose, work closely together, hold themselves mutually accountable, and produce extraordinary results.
- ▶ Develop technical, problem-solving, and interpersonal skills to function effectively as a team--this involves several new skills for USAID staff.
- ▶ Help team leaders understand their role and how it differs from a supervisory role.
- ▶ Team leaders must be willing and able to perform in a facilitative, nonhierarchical

manner.

USAID's REFORM Initiative Incentives Results Team highlight the steps for motivating individuals to "want" to work on teams.

- ▶ Create a participatory process to create an effective program. Develop deliberate actions that involve employees at all levels. Provide an opportunity for team members, team leaders, and management, as well as, stakeholders, e.g. unions, to express their views.
- ▶ Benchmark other agencies and the private sector to measure the success of the program. Benchmark what incentives are being used to encourage teamwork, what successes and/or failures they may have had, and what was learned from their experience.
- ▶ Share your personal picture of what an ideal Incentives Plan would look like and the objectives you would like to achieve. Create a shared vision with buy-in by having meetings, general discussions, focus groups, questionnaires, sub-teams, or use other methods.
- ▶ Take actions to show transparency in managing the process. Publicize the results and give an opportunity for feedback. Some coaches use the e-mail and newsletters and initiate open discussions to provide an update on the progress of the plan.
- ▶ Be creative. Change how performance is measured and how rewards are approved. Develop clear work objectives and performance measures in the work plans and other appraisal mechanisms that evaluate high performing teams, their members, team leaders, and managers. Give the team's customers, partners, colleagues, stakeholders and others an opportunity to provide feedback.
- ▶ Reward the results of changed behavior. Diagnose the gap between extant behavior and the desired behavior. Focus on implementing cultural change in the teams. Take specific actions to show the benefits of change and reward the results.
- ▶ Be fair. Clearly identify and describe the incentives (monetary/non-monetary), who is eligible, the criteria, how/if any funding is attached to the incentive, the nomination process, who must approve, and how often the incentives may be granted.
- ▶ Recognize Results. Look for what's being done right and give it public recognition. Publicly announce what is going right and say specifically why rewards and recognition are given. Assure results are recognized during the employee evaluation process and that the form of recognition is placed in the employee's personnel record.
- ▶ Institutionalize methods to track how well things are going with implementing the plan. Publicize the results and give an opportunity for feedback.

## EMPOWERED TEAMS AND INCENTIVES

USAID's REFORM Initiative Incentives Results Team produced the **Results-Oriented Incentives Resource Guide** which is intended to provide USAID employees, with a quick reference to the different kinds of incentives that can be used to reward team behavior for achieving results. Recognizing team members' accomplishments is important because:

- ▶ Measurable results demonstrate how customer's needs are being met and reflect participation of customers, partners, and team members
- ▶ Behavioral changes in coaches and team members demonstrate the team's commitment to high performance and results

- ▶ Specific examples of results demonstrate the success of the team's performance and management of resources. This can be a basis for requesting resources in the future.

The team suggests the use of the following guidelines when planning implementation of an appropriate set of monetary and nonmonetary rewards.

- ▶ The reward system should be clearly defined, well publicized, and responsive.
- ▶ Rewards for smaller achievements should be immediate; larger rewards for broader accomplishments need not be.
- ▶ Employees should have opportunity for participation and recognition.
- ▶ The system for awards decision making must be predictable, open, and simple.
- ▶ Focus should be on nonrecurrent rewards versus an annual "entitlement". Awards must be contingent on performance.
- ▶ Certain rewards needs to be self-selected.
- ▶ Rewards must match accomplishments and employee needs.

The **Results-Oriented Incentives Resource Guide** also discussed the role of senior leaders for the success of an incentive program.

- ▶ Create a shared vision, present challenging goals for managers and team leaders, clarify values and define objectives for the success of the organization's Incentives Program.
- ▶ Establish clear performance measures with specific indicators for measuring progress. Set up feedback mechanisms to evaluate the program and whether behavioral changes are sustainable. Allow recipients to provide feedback to make improvements in the program.
- ▶ State policies, procedures and guidelines that describe specific rewards and recognition, responsibilities, authorities, and action steps for implementation.
- ▶ Describe desired changes in behavior, establish positive reinforcements for sustaining behavioral patterns, and identify specific actions to recognize behavior that consistently values team work.
- ▶ Recognize that money awards are not always the answer. Honorary and informal recognition can be powerful tools to promote organizational and team goals and objectives.

[Back to Empowerment and Accountability](#)

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USAID/GHANA RFA

Issuance Date: December 18, 1996

**Closing Date: February 20, 1997**

Submit Applications to:

if via U.S. Mail:

Agreement Officer

REDSO/WCA/OP

Department of State

Washington, D.C. 20521-2010

if international courier or handcarried:

Agreement Officer, Office of Procurement

United States Agency for International Development

Le Vallon, Deux Plateaux

Abidjan, Cote d'Ivoire

if via internet or fax transmittal:

atuebner@usaid.gov

FAX 225 - 41-34-60

**Subject:** Request for Applications (RFA) No. 641-97-A-002

Project No.641-0129

The United States Agency for International Development in Ghana (USAID/Ghana) is soliciting applications from non-profit voluntary agencies for a cooperative agreement which will further the U.S. Government's on-going *assistance* program in *Ghana*.

USAID/Ghana is seeking high quality applications meritorious of funding in the primary education sector. Joint proposals which draw on the strengths of the various member organizations are encouraged. This might entail any number of collaborative arrangements such as a prime recipient working with one or more sub-grantees or a consortium of organizations working together under one umbrella. USAID/Ghana anticipates that one (1) cooperative agreement award will be made under this RFA. The criteria for evaluating and selecting applications are contained in "SECTION 3" to this RFA.

USAID/Ghana considers this program to be assistance to an institution or an organization for a public purpose rather than the acquisition of services. Accordingly, an assistance instrument (i.e., a grant or cooperative agreement), in lieu of a contractual instrument has been determined to be the most appropriate means for implementation of this program. An assistance instrument is used when the principle purpose of the relationship between USAID and the other party or parties is the transfer of funds or services to the recipient in order to accomplish a public purpose, through support or stimulation of the recipient's own program or project. USAID policy does not permit payment of a fee or profit under assistance instruments. USAID intends to award a cooperative agreement, based on the nature of the program proposed and a determination that USAID elects to have substantial involvement in the project.

Subject to availability of funds and acceptable performance, USAID/Ghana intends to award one five-year cooperative agreement of \$4,900,000, which includes \$600,000 (indirect costs inclusive) in small grants to communities, to be obligated incrementally on an annual basis. Other assistance to be funded (but arranged separately) includes policy reform, training of education personnel, monitoring and evaluation, and project management. Applicants should know that there is a possibility that less funding will be received than currently anticipated. In that event, USAW may ask applicants to revise their proposed activities to reflect reduced funding. Should available funding be later restored to the anticipated level, however, USAID may proceed, without further competition, to modify the existing award accordingly.

To be eligible for award of a cooperative agreement, in addition to other conditions of this RFA, organizations must be able to demonstrate:

1. Registration with USAID as a private voluntary organization;
2. A politically neutral humanitarian mandate; commitment to non-discrimination with respect to

beneficiaries and adherence to equal opportunity employment practices. Non-discrimination includes equal treatment without regard to race, religion, ethnicity, gender, and political affiliation.

This RFA consists of this cover letter and the following:

**SECTION 1 PROGRAM DESCRIPTION**

**SECTION 2 INSTITUTIONS AND CONDITIONS  
FOR APPLICATIONS**

**SECTION 3 PROPOSAL REVIEW AND  
EVALUATION PROCESS**

Attachment 1: Results Package 1

Attachment 2: Results Package 2

Attachment 3: Constitution of School Management Committee

Attachment 4: Excerpt from MOE Policy Document - Fostering Community Involvement in Improved Educational Services

Attachment 5: Certifications and Other Information (see page 14)

Attachment 6: Sample Grant Format, including sample Provisions

Guidelines for submission of applications are provided in the following SECTIONS 1 -

3. Attachment 6 to this RFA contains a sample cooperative agreement format and mandatory and optional standard provisions. Final agreement language and applicable optional standard provisions are subject to change based on the specific programs selected for award. Applicants are cautioned that failure to observe all guidelines such as submission date, page limits, and use of prescribed language may result in the application being rejected.

Issuance of this RFA does not constitute a commitment by USAID to award any cooperative agreement and USAID reserves the right to reject any or all applications received. USAID shall not be liable for any costs incurred by applicants in the preparation and submission of the application.

Any questions concerning this RFA should be directed in writing to the Agreement Officer, at the address as stated on page 1. Depending upon the nature and frequency of questions, clarification(s), if required, will be provided to all applicants simultaneously.

In the event of any inconsistency between the documents comprising this RFA, it shall be resolved by the following order of precedence: (1) Standard Provisions; (2) Application Instructions; and (3) Program Description.

Telegraphic or fax applications and telegraphic or fax notices of intent to submit applications are authorized for this RFA. Additionally, electronic copies of the RFA may be requested via the Internet at Amebner@USAID.Gov. Applicants may also submit their application to this same address via the Internet, but must confirm the submission by signed fax copy of the application cover letter or other similar means of verification of validity. Such Internet transmittal and confirmation of validity must be received by the date set for submission of applications. Applicants should retain for their records at least one copy of the application, including any and all enclosures, along with evidence of timely submittal. All applications must be signed by a person authorized to commit the applicant organization to performance of all terms and conditions of any resulting award.

Sincerely,

Annette Tuebner Agreement Officer

Attachments: a/s

## **SECTION 1- PROGRAM DESCRIPTION**

### **I. GENERAL INFORMATION**

#### **A. Background**

Budgetary figures for education in Ghana are among the most favorable in West Africa and one *might* expect sound *results* from the nation's sizeable investments. The Government of Ghana(GOG) allocated about 36% of recurrent budget resources to educational improvements in 1994 (World Bank, 1996). Sixty five percent (65%) of that allotment was spent on primary education. In addition, the education sector has received nearly \$400 million in donor funding during the past eight years. It is unlikely that the proportion of funds going to education *will* increase. Yet, in spite of these resources, the quality of Ghanaian primary education remains poor.

-

In 1994 USAID-sponsored criterion reference tests were given to a sample of 8800 Grade 6 pupils in 336 public schools with disappointing results. The percentage passing in English and math were only 3% and 1.5% respectively. Gross enrollment rates (GER) in Ghana remain relatively high (75.2 % in 1991-3), but growth has been flat; GER even declined very slightly (-0.9%) between 1991-1993 (World Bank, 1996). Quality improvements are urgently needed before more pupils walk away from an inadequate education. The objective of this RFA is to encourage communities to actively participate in the improvement of their primary schools, to demand better quality schooling for their children and to obtain the skills needed for this.

-

In 1996 the COG finalized its program for fCUBE, an acronym for Free, Compulsory, Universal Basic Education by the year 2005. The Government's fCUBE policy document outlines a master plan to provide Ghanaian youth with the fundamental knowledge, attitudes and skills that will enable them to contribute to and benefit from national development. The fCUBE framework will guide and coordinate donor resources as well as government spending through the year 2002. USAID/Chana's \$53 million Strategic Objective, Increased Effectiveness of the Primary School System, has been designed to support specific components of fCUBE. The amount of \$18 million in non-project assistance will support educational policy *reform* 'while the remaining \$35 million is budgeted for two Results Packages (Attachments I and 2). Results Package One, Quality Education Through Primary Schools, will focus on 330 Model Schools that will demonstrate and replicate the conditions and strategies that are required for quality primary education. The overall goal of the program is to provide assistance to school communities in *all* 110 districts and to develop *strategies* that will have the greatest national impact. This is not an implementation blueprint, but rather an illustrative model for expansion of the program for national impact. Results Package Two, Improved Policies for Quality Education, will address policy and technical constraints to improvements in quality education. Each of the Packages is dependent on the other, so a team approach to their coordination will be essential for success.

-

This RFA covers one of *three activities* in Results Package One, with a budget of \$4,900,000 for five years. It will support a critical fCUBE component, community involvement. The Government needs the support of Ghanaian communities to accomplish grassroots fCUBE goals because budgetary resources are stretched to the limit. Communities will be encouraged to participate in the establishment and support of School Quality Standards (SQS), SQS stands for the basic necessities of an economical *but* adequate primary education standards that can be sustained for all Ghanaian primary schools through a combination of community support and GOG resources. The Recipient will be responsible for the following five achievements:

-

**1. Social mobilization of communities through an Information Education Communication (IEC) campaign**

-

**2. Increased understanding by communities of SQS and their roles in the government-community partnership for school improvement**

-

**3. Institutional strengthening of School Management Committees (SMCs) and Parent-Teachers Associations (PTAs) to enable them to manage their schools**

-

**4. Management of a project fund that will support communities and SMCs in school improvements**

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**5. Improved Capacity of Ghanaian NGOs to manage these processes.**

-

*All of the above, except number 5, are components of the GOG framework.*

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**B. Past Successes**

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Since 1990, USAID has supported education reform in Ghana through the \$35 million Primary Education Program (PREP). PREP focused on supplying primary textbooks and other teaching materials; providing in-service training for teachers and circuit supervisors; developing policies and pilot programs to promote gender and geographical equity; providing resources to all 110 district education offices; and developing and administering a national assessment system, the Criterion Reference Test, to measure primary grade 8 pupil performance.

-

Other donor agencies supporting the education reform include the World Bank, ODA, UNICEF, the European Union, JICA, GTZ and KFW. The World Bank is the largest lending institution in the sector and has provided more than \$100 million for education rehabilitation projects. The Bank's Primary School Development Project (1993-1997) will provide 2,000 new primary school pavilions, as well as housing and training for :

- Better community attendance at PTN/SMC meetings
- Sustainable and regular consultation process linking MOE staff, district

and community leaders in place

- Higher pupil enrollment
- Timely entry (ages 6-7), especially for girls
- Better retention and primary school completion, especially for girls

bodies

-

### 3. Outputs

-

\* Baseline KAP study (Knowledge, Attitudes, Practices) completed for each Model School community

\* Social mobilization materials and approach documented and implemented in Model School community

\* Communities aware of decentralization, SQS, roles of DEOC, SMC, and PTA and know how to use appropriate channels to advocate for educational needs in their school, as evidenced by the level of public participation in each of these activities

\* Model School *communities* have developed School Quality *Standards* for their school and have implemented a plan to attain them

-

Activities A and B of this package Will be addressed by a *contractor*. The *evaluation of* this activity will also be accomplished under a separate contract. If primary school quality is to improve, the government will need the partnership of communities. During the past few decades, Ghanaians have increasingly regarded public education as a responsibility exclusively of the national government. Communities do not see themselves as accountable for the state of public education. Changes in their attitudes and involvement will take time, guidance, and resources. The recipient will approach this through three sub-activities:

-

### **Sub-Activity 1: Community Awareness and Education**

-

#### 1. Description

The Recipient will manage a community awareness campaign with an informational flow in two directions. The campaign will inform community members about quality education, school quality standards, and national educational policy and programs (such as fCUBE) to encourage their participation in the reform. But the Recipient will also provide information about community views on Model Schools and SOS to educational administrators and district decision-makers. The debate between the community and school administration will focus on SQS and help shape the iterative process that will

give communities a continuing say in the critical needs of their schools.

## 2. Achievement Indicators

- improved awareness of educational quality issues in Model School

communities head teachers in Ghana's most underserved communities. ODA currently supports pre-service teacher education at the University College of Education at Winneba. GTZ is refurbishing five teacher training colleges and the European Union provides budgetary support to the educational system. Overall donor participation in the sector is good.

-

## C. Current Relevant Constraints

**Poor teaching and learning:** The poor showing of Ghanaian Grade 6 students on II as high teacher and pupil absenteeism. The curriculum has, up to now, been too ambitious, lack of learning materials in many schools, teachers often do not make good use of those

**Ineffective Administration:** As a result of Local Government Acts in 1988 and 1993, authority for primary schools is being shifted from the central government to the District Assemblies. District Education Oversight Committees (DEOCs) are being established. There are many critical management decisions to be made before the articulation between system parts is clear and functional.

**Gender and Geographic Inequity:** There are large differences in school enrollment among the 110 districts in Ghana; enrollment of girls and in rural districts lags behind that of boys and the urban areas. Activities will put a cluster of model schools in each district to develop a roster of SOS that can be ubiquitous, effective and affordable nationwide. The School Quality Standards being developed under a separate agreement are expected to work for all Ghanaian school children and to include factors that encourage girls' equal participation in education (e.g.more flexible school hours, or separate latrines for girls).

**Weak Community Involvement:** There are a number of barriers to increased community involvement in education. A 1996 World Bank document summarizes:

*The majority of parents have not yet regained confidence in the public school system because of its perceived poor value for money At present local communities have a limited role in the running of primary [schools].; extracurricular activities organized by Parent Teacher Associations (PTA s) are the most usual form of involvement For this reason communities feel little ownership of the schools the children attend,' and frequently are mistrustful of attempts by the authorities to solicit community involvement lest it be an excuse for extracting additional financial contributions. (World Bank RPT no. 15570-GH, May24, 1996)*

-

## II. OBJECTIVE

This agreement will support **Activity C: Greater Community Involvement in School Improvement** of Results Package One: Quality Education through Model Schools.

## B. Sub-Activity 2: Strong Community Organizations

### 1. Description

In working with communities, the Recipient will become involved with recently established School Management Committees (SMCs). In September 1996, the MOE outlined the roles of SMCs (established 18 months earlier) vis-a-vis school administrators and PTAs.

*The functions of the School Management Committee, among others, shall be the control of the general policy of the school as well as ensuring the environmental cleanliness and structural safety of school facilities without encroaching upon the powers of the Headteachers.*

*The Ministry in instituting the school management committees notes that in future, **PTAs can exist as useful supports to school development by having their representative serve on the** School Management Commi flee. The School Management Committee will be the recognized official management authority to direct school policy, standards, governance and discipline. (Minister of Education, 9/25/96)*

A Constitution for SMCs, circulated by Ghana Education Service, specifies their membership, member prequalifications and duties (See Attachment 3). The composition is not weighted towards community members, but includes five to six representatives of the government administration (including teachers) and as many as four community members. All members are appointed by various organizations or authorities rather than elected. The work of the Recipient will include helping the public to better understand the roles of SMCs and PTAs and the interface between them. The links between communities on the one hand and the SMCs and MOE on the other will be newly forged by this activity. The specific campaign about SQS will also improve understanding of the operational roles of community organizations vis-a-vis the SMC, the district office and the MOE. An excerpt on Community Involvement in Improved Educational Services (MOE, Policy Document, April 1996) is attached. (See Attachment 4).

The Recipient's role is to equip community organizations, including the SMCs and PTAs, to meet their goals for school quality reforms and quality monitoring. Possible interventions would include training members in communications, budgeting, funds management, school monitoring and advocacy skills. As part of strengthening, PTAs should become fully representative of the diversity in their communities. The Recipient will facilitate this by, for example, helping communities develop a transparent electoral process for PTA leadership.

-

Early in the project, the Recipient will select one or more Ghanaian NGOs as partners. This sub-activity is intended to strengthen partners to develop their skills so that they can replace the Recipient by the last year of the program. In this way the goals of this agreement could be sustained by local consultants in the future. A 1996 USAID-sponsored report, "Survey of Non-Governmental Organizations Providing Services for Basic Education" will be made available to assist the successful applicant in the quest for local partners. The Recipient will also provide limited commodity and logistical support for computers, motorbikes, and materials to Focal NGOs to help them meet their responsibilities.

-

## 2. Achievement Indicators

- School Management Committees/Parent-Teachers Associations trained in communications, budgeting, funds management, and advocacy skills
  - PTA leaders democratically elected
  - Iterative consultative process on School Quality Standards (SOS) in place and connects community organizations with the district offices and MOE
  - Selected Ghanaian NGOs prepared to train and support school-based organizations
- 

## 3. Outputs

- Communities trained in PTA election procedures
  - School Management Committees/Parent-Teachers Associations trained in communications, budgeting, funds management, and advocacy skills
  - Partner Ghanaian NGOs trained to replicate community work of the Recipient
- 

## **C. Sub-Activity 3: Communities Participating in the Design, Implementation and Monitoring of Model Schools**

### 1. Description

-

This component will encourage and support community members to become active monitors of School Quality Standards and to undertake projects that lead to this goal. As with the other two sub-activities, the monitoring of SOS will be part of the continual evaluation of these standards; information about SOS

implementation will be shared with district administrators and decision-makers. The Recipient will be responsible for the capacity building that will make this sustainable.

The Recipient will manage and monitor small grants to communities that help them meet and sustain their established School Quality Standards. These projects and the process for project selection will be driven by the real needs of each community and, in general, be low cost. They could range from infrastructure to classroom materials to schemes that enhance girls' participation in schooling. The Recipient will be required to assure a thoughtful, realistic and democratic application of the funds.

## 2. Achievement Indicators

- Community representatives establish and monitor School Quality Standards (SQS)
- Communities can undertake Participatory Rural Appraisal (PRA) to identify projects that support or complement school improvement plans
- School improvement projects funded by micro-grants and implemented by village-level committees (SMCs, PTAs)
- Improved attendance among school staff and pupils
- Upgraded physical facilities
- Communities perceive schools as better managed

## 3. Outputs

- Communities trained in PRA
- Model School Communities identify school projects that *contribute* to SQS and plan its implementation
- Model School communities are monitoring Model School progress towards SOS

## III. USAID INVOLVEMENT

The Results Package I Team at USAID/Ghana is responsible for the integration of the activities conducted under this agreement with all others under both of the Results Packages that support Strategic Objective #2 goals. In order to promote such integration, USAID/Ghana will convene quarterly meetings at which the Recipient and implementor organizations for other activities will be required to be represented at a senior project management level. In addition, semi-annual meetings will be convened by

USAID/Ghana to bring together these same parties and also Government of Ghana and other donor representatives. The Recipient will be required to participate in these semi-annual meetings as well.

In the spirit of teamwork and cooperation, the Recipient must work collaboratively with all of USAID's implementation partners under USAID/Ghana's Education Strategic Objective. USAID/Ghana will facilitate such collaboration to the maximum extent practicable, within the scope and objectives of each individual agreement.

USAID/Ghana will also perform an annual evaluation of the Recipient's annual non-competing continuation application for funding. As described in IV, below, the Recipient must submit such an application on the date indicated each year of the program. USAID will evaluate the performance reported by the Recipient, its proposed work plan for the following program year, and its proposed financial plan to support that work plan. As part of that review and its decision concerning the continuation of the project, USAID/Ghana may propose work plan revisions designed to promote the coordination of this project with the related education activities. If performance has been in accordance with the terms of the agreement and if the parties agree on the work plan and financial plan for the coming program year, USAID will issue an amendment authorizing the Recipient to continue performance for that year.

#### **IV. RECIPIENT'S RESPONSIBILITY**

The implementation responsibilities of the Recipient are as identified above and in the Recipients approved application. Because the achievement indicators and outputs identified in II, above, are general in nature, the Recipient will be held to the achievement of the results, as measured by the achievement indicators, that it has proposed and USAID has approved through award of the cooperative agreement.

During the first year of the project, the Recipient shall proceed in accordance with the first year workplan that forms part of its application for funding. Thereafter, performance of the agreement shall be in accordance with a non-competing continuation application, submitted, reviewed, and approved as follows:

The due date for the first non-competing continuation application shall be six months after the date of agreement award. The application shall consist of a report of progress during approximately the first six months of activity and the expenditures incurred during that period, plus a workplan for the second full year of the program and a budget proposal to support the costs expected to be incurred in the second year. Additional non-competing continuation applications will be due on the same date in years 2,3, and 4. These later applications will report achievements and expenditures for the 12 month period leading to the date of application.

USAID/Ghana will review continuation applications according to formal or informal procedures that it will establish and will advise the Recipient of the results of that review no later than 30 days prior to the end of the current program year. If the program is approved for another year and funds are available, the Recipient will be advised by written modification of the agreement that it is authorized to continue performance for another year and of the funding available for that purpose.

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#### SOURCES CITED IN DRAFT

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World Bank: STAFF APPRAISAL REPORT, REPUBLIC OF GHANA, BASIC EDUCATION  
SECTOR IMPROVEMENT PROGRAM, May 24,1996

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Ministry for Education: Address by Hon. Harry Sawyerr, Minister for Education..., September 25,1996

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#### SECTION 2-INSTRUCTIONS AND CONDITIONS FOR APPLICATIONS

Applicants must set forth full, accurate, and complete information as required by this RFA. The penalty for making false statements in applications to the U.S. Government is prescribed in 18 U.S.C. 1001.

### **I. Receipt of Applications**

A. To be eligible for award, in addition to other conditions of this RFA, organizations must be able to demonstrate:

(1) Registration with USAID as a private voluntary organization;

(2) A politically neutral humanitarian mandate; commitment to non-discrimination with respect to beneficiaries and adherence to equal opportunity employment practices.

Non-discrimination includes equal treatment without regard to race, religion, ethnicity, gender and political affiliation.

B. Applications should be received at the place designated and by the close of business on the date specified on the cover page of this RFA. Applications received after that date risk not being considered by the evaluation committee. Acceptance of applications received *after* the closing date, *but* prior to **award**, is at the sole discretion of the Agreement Officer. Late modifications of an otherwise successful application which make its terms to the Government more favorable may be accepted at any time. Applications may be withdrawn by written, telegraphic, e-mail or fax notice received at any time prior to award.

## **II. Preparation of Applications**

Your application should be directly responsive to the terms, conditions, guidelines, and provisions of this RFA to be assured of consideration. Applications not conforming to this RFA may be categorized as not meeting the minimum requirements of the Government thereby eliminating them from further consideration. The Government reserves the right to enter into discussions with any or all applicants in order to obtain clarifications or additional detail, or to suggest refinements in the program description, budget, or other aspects of the application. Applications shall be submitted in two parts; (1) detailed program description; and (2) budget or financial plan.

### **A. Program Description (Technical Applications)**

The technical application will be the most important item of consideration in selection for award of the cooperative agreement. It should be specific, complete, and presented concisely. Applicants should review all information in this RFA in depth prior to preparing applications, especially program guidelines, eligibility and evaluation criteria.

The technical application must set forth in detail the conceptual approach, methodology, and techniques for the accomplishment of the stated objectives. It must have a definitive workplan for achieving program objectives. The program must define outputs and benchmarks for monitoring progress in achieving the outputs. An internal monitoring and evaluation plan must be included as well as a sustainability plan. Coordination with external USAID monitoring will be particularly important.

**Whereas the Program Description has described the outputs and achievement indicators in general terms and for the full life of the program. the applicant must provide very specific outputs, in quantifiable and measureable terms, and must lay out a schedule of achievement indicators on a timeline that covers the full five-year period of the program. Applications will be evaluated based upon both the level of achievement proposed and the realism of the plan for reaching that level of achievement. Recipient performance will be evaluated against the standards proposed by the applicant and accepted by the Government, so well-documented realism in the statement of these program objectives is essential.**

The application must define the technical resources and expertise of your organization. The information presenting the capabilities of your organization should spell out clearly the pertinent work experience and representative accomplishments in developing and implementing programs of the type required under the proposed program. Care should be taken to establish the relevance of past experience to this program and the basis for reliance upon that experience as an indicator of success on this program.

Describe the role and technical expertise of each salaried staff member to be involved in the project, including the estimated amount of time each will devote to the project. The names and experience of important managerial and technical personnel to be assigned to this program shall also be included. Indicate the total staff which will be required and show in your submission how you propose to organize to accomplish all aspects of program and agreement administration.

The applicant must demonstrate to the satisfaction of USAID that it has the management, staff, and financing necessary to provide the effort described within the application. This is particularly true for consortia, which entail more complicated financial management procedures. In such cases, the applicant should clearly state its plan for managing the subagreements, including: a) conducting preaward surveys; b) monitoring advances to subrecipients; c) conducting financial reviews and verification of reimbursements; and d) administering subrecipient audits.

Applicants who intend to utilize subcontractors or subrecipients, should indicate the extent intended, the method of identifying subcontractors and *subrecipients*, the *extent* to which competition will be utilized, and a complete cost breakdown for such subagreements, as well as all of the information required herein for the Applicant. Applicants should state whether or not they have existing relationships with these other organizations and the nature of the relationship (e.g., subcontractor or subrecipient, partnership etc). The application must define the technical resources and expertise of proposed subcontract/subrecipient organizations. Extensive subcontract/agreement financial plans should follow the same format as submitted by the applicant.

It is expected that the applicant will partner with at least one local NGO. The application should define the criteria and process for selecting the local NGO.

Proposals should be concise, no more than 40 pages - excluding attachments and give a clear, measureable and monitorable description of what the applicant *organization* proposes to achieve; where, why, and how. Proposals should follow a format substantially as follows:

## **I. Cover Sheet (1 page)**

## **II. Executive *Summary* (1-3 pages)**

## **III. Project Plan (10-30 pages)**

### **A. Proposed approach/priorities/objectives**

B. Inputs/activities/anticipated results

C. Implementation plan

D. Management/coordination plan

E. Measures to ensure localization/sustainability

F. Monitoring and Evaluation plan

a. Plan for measuring and reporting on progress toward proposed benchmarks and achievement of results.

b. Plan for coordination/sharing of information with USAID contractors, other donors, MOE personnel, *community* leaders.

#### **IV. Organizational Capability (2-6 pages)**

A. Brief description of organizational history/expertise

B. Relevant experience in Ghana or in Africa

C. Relevant experience with proposed approaches

D. Sub-recipient capabilities and expertise

E. Proposed field management structure and financial controls

F. Proposed staffing (include CVs of key personnel)

G. Speed with which start-up can be undertaken

**V. Annexes/Appendices:** Attach relevant analyses supporting conclusions/approaches to be undertaken. (Not included **as part** of the 40 page application limit)

**VI. Budget:** Submit in a separate package from Program Description and include detailed budget narrative (not included in 40 page application limit).

B. Financial Plan: The financial plan should be fully supported by cost data adequate to establish the reasonableness of proposed costs. It should clearly delineate the financial and in-kind contribution of your organization, if any. Applicants are encouraged to propose a matching share and those that do will receive additional consideration in proportion to its amount and realism. When a matching share is proposed and accepted, it becomes a condition of payment of the federal share.

You are requested to prepare a budget defined by major program activities. Training costs, equipment purchases, and indirect costs must be itemized separately. The total estimated cost for each major program activity in addition to training, equipment and indirect costs must be supported by detailed line items, including personnel salaries and wages, fringe benefits and allowances,

travel and transportation, subcontracts/grants and other direct costs. Further clarification to the proposed budget should be provided by including budget notes and a supporting narrative. The following format is suggested to present your budget:

Indicate the name, annual salary, fringe benefits and level of effort of each person charged to the proposal. If more than one organization is planned to implement the project, show how compensation packages will be "rationalized" (e.g., salary range for a given job description). Consultants should have the same individual information as regular personnel. Allowances should be broken down by specific type and by person. All salaries, benefits, and allowances must be based on written compensation policies of the employer organization. Other direct costs such as visas, passports and other general costs should be identified as specific items, if possible.

Travel, per diem and other transportation expenses should be detailed in your proposal to include number of international trips, from where to where, number of days per diem and rates. Per diem and other travel allowances must be based on written travel policies of the employer organization. We understand that specific travel plans may not always be possible to project, thus the travel proposed may be illustrative but is still an integral part of implementation planning.

Indicate the home office support which will be provided.

Please provide your U.S. Tax Identification Number.

Please provide your USAID Letter of Credit Number, if applicable.

Please provide the name and telephone/fax number for the authorized negotiator for the agreement.

Describe the procedures for identification of subrecipients, including pre-award surveys and financial reviews.

Please complete all information, including certifications regarding lobbying, compliance with laws covering nondiscrimination, drug-free workplace and debarment, contained in Attachment 6.

### C. Business Management Information

Proposals must include a list of all U.S. Governmental and/or privately funded contracts, grants, cooperative agreements, etc. received by your organization in the last three fiscal years involving programs similar to the program proposed in your application. Include the following for each award listed:

1. Name of awarding organization or agency
2. Address of awarding organization or agency

3. Place of performance of services or program
4. Award number
5. Amount of award
6. Term of award (begin and end dates of services/program)
7. Name and current telephone number of a responsible technical representative of that organization or agency
8. Brief description of the program

USAID anticipates award of one cooperative agreement to the responsible applicant whose application, conforming to this request, offers the highest quality program (as evaluated against the technical selection criteria) within the available funds. It is anticipated that the cooperative agreement will be incrementally funded on an annual basis and will cover an implementation period which should not exceed 60 months. USAID reserves the right to make no awards.

Disclosure of Information - The applicant is advised that, pursuant to the Freedom of Information Act, the public is entitled to request information from Agency files. As a general rule, information included in the successful application may be disclosed, except:

- a) Information submitted in response to a solicitation prior to award of an agreement;
- b) Information property classified or administratively controlled by the Government; and/or
- c) Information specifically exempted from disclosure under the Freedom of Information Act.

Upon issuance of the cooperative agreement resulting from this RFA, the Government may disclose, use, or duplicate any information submitted in response to the RFA to the extent provided in the cooperative agreement and as required by the Freedom of Information Act.

The successful applicant will be required to provide all logistical support required to implement its program with exception of the following: 1) Permitted dutyfree entry privileges for applicant's program in Ghana; 2) Residential housing, maintenance, security, furniture and utilities for one full time team leader (in Accra only); 3) State Department Pouch and Health Unit privileges provided as per U.S. Embassy/Ghana policy; and 4) Assistance in obtaining various Ghanaian Official documents, e.g. drivers license, resident visas and identification cards.

The Agreement Officer is the only individual who may legally commit the Government to the expenditure of public funds. No cost chargeable to the proposed agreement may be incurred before receipt of either a full-executed cooperative agreement or a specific, written authorization from the Agreement Officer.

## **SECTION 3- PROPOSAL REVIEW AND EVALUATION PROCESS**

### **A. THE REVIEW PROCESS: AN OVERVIEW**

All applications will be screened by the Review Committee (RC) at USAID/Ghana. Following the review of applications, a letter will be sent to the submitting organization detailing the outcome of the review. Generally speaking, applications that do not meet the guidelines will be returned to proposing organizations with comments indicating the ways in which the applications were deficient. The reviews will follow the criteria established by the Strategic Objective Team and listed in this document. To the extent that they are necessary, negotiations will then be conducted with the Applicant whose application is likely to receive funding. Subject to the availability of funds, an award will be made based on the ranking of applications according to the technical selection criteria identified below, along with a consideration of the costs. USAID reserves the right to determine the resulting level of funding for the agreement.

### **B. THE TECHNICAL EVALUATION ;**

#### **1. Minimum Technical Qualifications**

To be considered for funding, applications must meet the following minimum technical qualifications:

- a) Applications must originate with a United States based private voluntary organization (PVO). Organizations which are not U.S. based PVOs may participate as partners with, and at the behest of the U.S. organizations, but may not be direct grantees.
- b) Applications must be of a regional nature. That is, the activity's proposed beneficiaries and/or participants must be from multiple Ghanaian districts.

#### **2. Technical Evaluation Procedures**

All applications will be screened by the USAID/Ghana RC for compliance with the application format and minimum criteria. Those applications found to comply will be subject to a full review in accordance to the criteria as stated in this document. The Agreement Officer will notify organizations within 45 days following the end of the preliminary review whether their application has been approved for grant funding.

Only organizations determined to be financially responsible are eligible to receive an award. If necessary, USAID/Ghana will make arrangements for a financial review of the organization. Applicants must agree to provide all financial and other records required by USAID.

### **C. SELECTION CRITERIA**

Applicants are encouraged to propose performance outputs beyond those indicated if they are appropriate measures of the implementation approach proposed by applicants. Priority will be given to applications that:

- \* Include innovative yet practical approaches to creating a demand for quality education at the community level;
- \* Aim to build the capacity of communities, SMCs and PTAs to responsibly carry out their duties and contribute to effective schooling, including disclosure and coordination with district level authorities;
- \* Adapt successful approaches from elsewhere in Africa to the Ghanaian situation, thus reducing duplication and building on regional experience;
- \* Propose NGO partner strengthening activities that would enhance the sustainability of these institutions after the conclusion of this program:
- \* Propose credible approaches to inform the Ministry of Education and other relevant units on effective strategies and best practices that could be introduced, managed and sustained in communities throughout Ghana.

## CATEGORY MAXIMUM POINTS

### 1. Project Plan 50

#### A. Proposed approach/priorities/objectives

B Inputs/activities/anticipated results

C. Implementation plan

ID. Management/coordination plan

a, Plan for project management, including backstopping and coordination with partners *or* subcontractors

b. Plan for coordination/sharing of information with USAID contractors, other donors, MOE personnel, community leaders

E. Measures to ensure localization/sustainability

F. Monitoring and Evaluation plan

### 2. Organizational *capability* 30

A. Proposed staffing (include CVs of key personnel)

B. Relevant experience with proposed approaches

C. Sub-recipient capabilities and expertise

ID. Proposed field management structure and financial controls

F. Demonstrated ability to mobilize rapidly and commitment to do so

F. Relevant experience in Ghana or in Africa

### **3. Budget 20**

A. Cost effectiveness and realism

B. Budget detail and financial feasibility

C. Matching contribution

Attachment 1

## **STRATEGIC OBJECTIVE NO.2**

### **RESULTS PACKAGE ONE**

#### **QUALITY EDUCATION THROUGH MODEL SCHOOLS**

##### **I. Definition of the Problem**

Results Package One (RPI) addresses demonstrable ways to improve the poor conditions and inadequate practices currently in place in the Ghanaian primary school. With the knowledge gained from direct intervention in 330 Model Schools, USAID will inform the national level debate and leverage changes in policy and practice to support quality improvement throughout the primary school system.

Low student performance in Ghana is a result of a number of interrelated factors that converge in the classroom learning environment. These factors include low attendance rates, ineffective teaching, lack of supervision, and inadequate school facilities. Class attendance, both by the teachers and pupils, has been

a major problem, particularly in rural areas. Declining school standards, coupled with poor conditions of service and low levels of supervision, have resulted in high rates of teacher absenteeism and are a disincentive for pupils to regularly attend school.

Once present, teachers are often unable to effectively use the classroom time. Many teachers have been trained in subject areas such as English, math, and science, but lack a basic understanding of the teaching methodology needed to teach effectively. In addition, there are too many subjects to teach in a day, and the materials required to enhance learning are often inappropriate for the grade level or unavailable. Most primary schools in Ghana lack basic instructional materials such as textbooks, chalk, a blackboard and writing materials. Even in schools that currently have textbooks, teachers have lost the ability to use them and rely on outdated instructional practices, such as rote memorization and copying from the blackboard.

A decline in supervision standards, procedures and resources have weakened the supervisory roles performed by head teachers and circuit supervisors. Although most head teachers and circuit supervisors have received some supervisory training, they are constrained by lack of adequate resources to carry out their duties. Classroom observation research in Ghana suggests that less than two hours per day are spent on actual learning. Furthermore, teachers have not been trained to use regular and standardized pupil assessments to inform themselves about pupils' learning progress, nor have circuit supervisors been trained to improve teaching through classroom observation and assessment.

The poor conditions of school buildings and basic furnishings further contribute to low teacher and pupil performance. Many primary schools in Ghana suffer from very poor conditions for learning; dilapidated and half-completed classrooms; overcrowding; lack of chairs and desks; lack of instructional materials; no classroom storage space for materials; bare walls, without displays to create an interesting, environment; and a lack of school materials such as chalk, pencils and paper. These conditions contribute to low teacher and pupil performance. A recent World Bank analysis showed that a third of all basic school facilities are in poor condition and that at the national level, the number of student classes in public schools exceed the number of classrooms by 13,479 in primary schools alone.

## **II. Proposed Approach**

In order to address these problems a number of efforts are proposed under Results Package One (RP1)- Improving the Quality of Education through Model Schools. These efforts will be designed to make progress in three areas: improved learning environment both in terms of the district support and physical facilities; more effective teaching and supervision; and expanded community involvement in school improvements.

The focus for these activities will be Model Primary Schools which will demonstrate and replicate the conditions and strategies that are required for quality primary education. USAID plans to support 330

## Model Schools.

In each of these schools, USAID will help put into place all the functions and resources necessary to operate at acceptable school quality standards (SOS). School Quality Standards are based on the concept that there is a threshold of conditions and processes at each school, and for each classroom within the school, that is necessary for pupil learning. By meeting the appropriate standards a school becomes a Model School where: teachers are sufficiently trained, comfortable with the instructional material and present in the classroom; learning materials hold the pupils' interest, complement the curriculum and are available; the curriculum is relevant, pupil-centered, and supported by textbooks in the classroom; community participation is informed, democratic and responsible; effective management/supervision sets and maintains standards and efficiently manages resources and; infrastructure provides a safe, healthy and accessible environment for learning.

A set of provisional School Quality Standards, agreed to by USAID and the MOE, will be used as the focus of RP1 activities. They will be used to launch the program in the first six districts. In their present form they represent the current best practices for primary education in Ghana. These standards are based upon in-country experience with the Equity Improvement Project under USAID's Primary Education Project (PREP) and with the Center *for* Research on *Improving Education in Ghana* (CR IOPEG). (See Technical Analysis) The refinement and focusing of these school quality standards over time will be an integral part of the entire program.

[Back to Writing Results-Oriented Program Descriptions](#)